



MANAGEMENT
MANUAL

**FOR YOUR
HEAVY DUTY
PLAYGROUNDS**

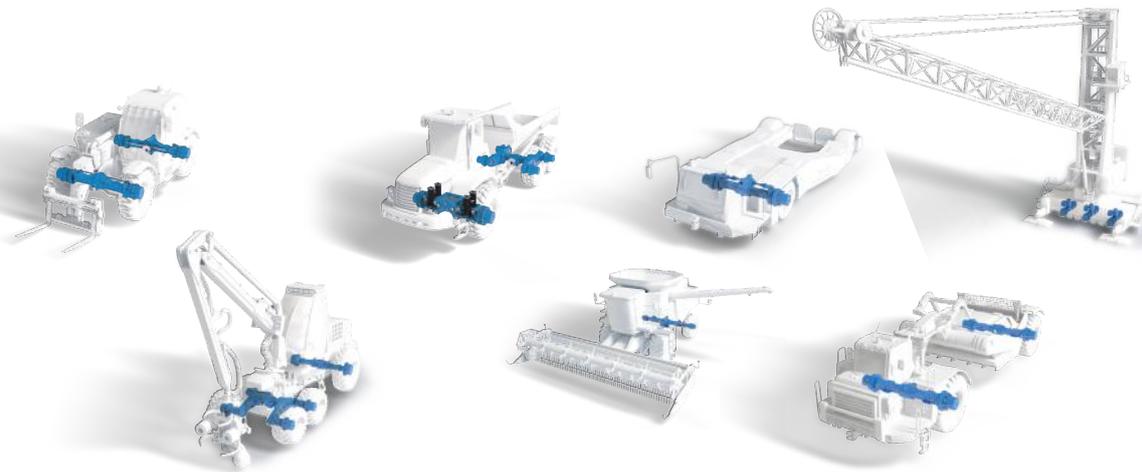




FOR YOUR HEAVY DUTY PLAYGROUNDS



*In the development of our axles and gearboxes, we think in terms of terrain and its properties.
That is why we understand the individual requirements of our customers
so much better than our competitors.*



FOREWORD

Management Manual Part I



August 2017

3

Since its founding in 1960 NAF's been able to establish itself as a leading supplier of axles and gearboxes. NAF stands for expertise, innovation, quality and business relations based on mutual trust. These characteristics have enabled the company to become the world's largest supplier of drive systems on the forestry machine market. NAF also supplies an increasing share of the construction, agricultural and specialized machinery markets.

Our process-oriented organization and our approach of integrated management system are documented in this management handbook. They form the basis of long-term success oriented to the needs of our clients, staff and business associates.

This management handbook describes the management system practiced and implemented by NAF, based on
DIN EN ISO 9001:2015 and DIN EN ISO 9004
DIN EN ISO 14001:2015
DIN EN ISO 50001:2011
the industry-specific requirements of the Employer's Liability Insurance Association (NLF / ILO-OSH 2001) and the "Safety with system" mark of approval.

Neunkirchen am Brand, 01 August 2017

Erwin Urban & Bernhard Schnabel
NAF AG Board of directors

Helmut Wagner
Management Representative



THE NAF MANAGEMENT POLICY IS BASED ON THE COMPANY'S VISION AND PHILOSOPHY.

It's essential that what's important be laid down.

Corporate success is no coincidence but the logical consequence of far sighted thinking and targeted action. Employee comprehension and a will to make a personal commitment to success and to participate in it are decisive.

Not so much a sense of duty, but more of inner conviction is what's needed.

The central point for us as a company is the long-term safeguarding of our independence and profitability. Constantly trying to make what's already good even better is a great help too – working with a view to productivity and great respect for one another coupled are major positive factors.

Our vision

First choice for high quality drive solutions thanks to innovation, perfection and partnership based on trust.

Our motivation

- > **WE** consider ourselves as an organization that serves the society with the individual being central to our success.
- > **WE** believe our primary task to be assisting our clients, staff, investors and their business associates to be successful. That's why we want our products to be free of faults and available at fair prices and our processes, goods and services subject to constant improvement.
- > **WE** will never rest on our laurels and will give our best every day.

Our way

- > **WE** want to be confident, proud of our work and a step ahead in all we do.
- > **WE** expect our employees and business associates to show commitment, responsibility, reliability and self critical behavior, to constantly seek improvement and to act at all times as our company culture requires.
- > **WE** consider the individual to be the most important success factor in our organization. We hence expect all staff and associates to respect one another and that this be evident in fair, tolerant and honest behavior toward others.
- > **WE** will not expect of others what we cannot or will not do ourselves.
- > **WE** respect the freedom and needs of the individual. That's why we want to create a working environment that is positive in that all staff enjoy their work and feel free to evolve personally and that promotes their creativity and that of our associates.
- > **WE** wish to conserve resources by developing energy efficient, environment friendly reusable products and processes, using environment friendly substances, avoiding waste and disposing of it in a way that doesn't harm the environment, supporting measures that promote health, acquiring energy efficient machinery, goods and services and safeguarding the safety of our staff whilst adhering to all applicable laws and binding obligations.
- > **WE** monitor our goals by applying a constant key performance figure monitoring system.

MANAGEMENT POLICY

Management Manual Part I



August 2017

5

Our success

- > **WE** want to mutually support one another and hence the company's continued existence and the financial security of our staff even in difficult times.
- > **WE** want to make a positive contribution to social development with our work by creating secure jobs, training our staff well and aiding charitable institutions.
- > **WE** know that we can only realize our wishes, goals and visions by staying profitable. Only thus will we have the means to safeguard our identity and independence and influence our future positively.

Neunkirchen am Brand, 01 August 2017

Two handwritten signatures in blue ink. The first signature is 'Erwin Urban' and the second is 'Bernhard Schnabel'. Both are written in a cursive, flowing style.

Erwin Urban & Bernhard Schnabel
NAF AG Board of directors



DETAILS

Management Manual Part I



August 2017

6

SCOPE OF VALIDITY

The NAF management handbook applies throughout the company at the locations below:

NAF technical office

Polkostrasse 25
81245 Munich
Germany
Tel.: +49 89 82 92 08 0
Fax: +49 89 83 40 62 0

NAF Production & Management

Weyhausenstrasse 2
91077 Neunkirchen
Germany
Tel.: +49 91 34 702 0
Fax: +49 91 34 702 640

In formal and reduced form:

NAF Russia GmbH

Karjernaja Str. 2 office 502
620030 Ekaterinburg, Russia
T + F: +7 343 278 65 02
Mobile 1: +7 908 928 12 79
Mobile 2: +7 343 268 17 75

NAF Axles North America Inc.

6245 Seneca Rd.
Morris, IL, 60450, USA
Tel: +1 815 941 2025
Mobile: +1 815 922 7313



PURPOSE

Purpose

PRESENTATION OF THE MANAGEMENT SYSTEM AND THE PROCESSES, AND SPECIFYING THE PROCESSES FOR PLANNING, CONTROL, MONITORING AND IMPROVEMENT IN A PROCEDURE THAT IS CONSISTENT AND BINDING THROUGHOUT THE COMPANY.

Concepts

Interested parties:

- Customers and end users
- People in the organization
- Shareholders, investors, banks, insurance companies
- Suppliers and partners
- Public organizations, society, municipality

Top Management

- Management Board, Authorized signatories and Departmental heads

Management System

- Is to be understood in its entirety and includes the quality, environment, occupational safety, and energy management.
- IMS (Integrated Management System)

Procedure

The top management of the NAF develops, defines and communicates the management policy, and uses it to derive business objectives, which are monitored, reported and adjusted if necessary as part of the comprehensive management of performance figures.

The management representative develops, defines and communicates the management system, checks its effectiveness and reports to the top management at least once a year. The top management commit themselves to evaluate the results and defines corrective actions if required.

Part I of the management handbook describes the overall organization and portrays that a management system is defined, implemented, monitored and maintained. The core processes and responsibilities are stated here.

It is demonstrated that all management-relevant activities are planned, controlled, monitored and improved.

Part II of the management handbook describes in terms of quality systems procedures the core-, management-, key-, supporting and individual processes in detail and in accordance to the procedural instructions with stipulations regarding process sequences, responsibilities and documentation. Special work procedures are described in the work instructions.

Organization

All the responsibilities can be found in the overall organizational chart of NAF.



THE MAIN PROCESSES ARE IDENTIFIED, DETERMINED AND SPECIFIED AS PROCESS ORIENTATION DICTATES:

- Board, Management, Authorized representatives
- PEP (product development process)
- PEng (production engineering)
- PHP (product manufacturing process)
- DFP (financial services process)
- DQP (quality services process)
- DLP (logistic services process)

Chapter structure has been waived in favour of process logic and ISO standard, quality relevant sub-processes being responsibly integrated in the processes.

Specifications of all relevant processes and parts thereof are shown in three chapters in Part II of the management handbook:

Chapter I



Prefix number 01.: Management and services
Colour: Grey

Chapter II



Prefix number 02.: Product development process
Colour: Yellow

Chapter III



Prefix number 03.: Product manufacturing process
Colour: Blue

Presentation is preferably in graphic form and colour labelled for easier classification.

Responsibilities

Top management is responsible for a management system and policy being laid down. This is intended to ensure that the organization fulfils its purpose for the benefit of all parties involved and is oriented to the company's strategic goals.

The management representative is responsible for the system being introduced, communicated, monitored, maintained and constantly improved. He's also responsible for ensuring that only the currently valid version is used in the computer system.

Those responsible for processes are also responsible for their being adhered to as laid down and for their being monitored and constantly improved. The company's organizational flowcharts and work instructions clearly show who is individually responsible.

Documentation

All this is documented in Parts I and II of the management handbook.

Individual documentation and filing is governed by work and procedural instructions.

Accessibility

The management handbook part I is published on the home page (www.nafaxles.com) and accessible for interested parties. Parts I and II of the management handbook are accessible for all employees on the intranet (NAFnet).

ORGANIZATION CHART

