



MANAGEMENT manual

This manual describes the KEYMILE quality management system and defines the procedure that secures the quality of our products and processes taking legal and environmental aspects into consideration.

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1 Enactment

The management is responsible for the adherence of the determinations in the management manual and the process descriptions. The management has delegated the responsibility for realisation to the relevant executives. (For reasons of simplicity we employ the term employee in the following that is applied for female and male employees at the same time.)



Lothar Schwemm, CEO

2 Certifications

KEYMILE disposes of an integrated management system. It combines requirements from the areas quality (ISO 9001) and environment (ISO 14001) in a standardised structure.

3 Area of Application

The management system is valid for all parts of the KEYMILE group and for all employees as the quality of products depends on diligent and faultless work of all participants. The scope covered by the system is the process of design, development, manufacture, marketing, maintenance and service for multi-service telecommunication access systems and solutions enabling network convergence. Restrictions are valid for:

- ISO 14001 (environmental management): comprises only the location in Hanover

4 Organisation of the Quality Management System

The Management System is shown on the Intranet and structured as follows:

- Vision, Mission and Strategy
- Process landscape (Process description, Guidelines and Forms)
- Functional Organisation
- Legal Organisation
- Integrated Management System
- Quality and Environmental Policy
- Management Manual (Brochure)
- Management Roles
- Main Tasks of Functions
- Environmental Management
- Certification
- Compliance Management

The current versions are always located on the Intranet.

5 Continuous Improvement

Systematic handling of correctional measures is essential to secure continuous improvements (see picture "cycle of continual improvement"). KEYMILE employs efficient regulative loops in all levels of the company for this purpose. Amongst others the evaluation of key performance indicators serves this purpose.

Consequent application of precautionary measures is more effective than systemized corrective measures, as avoided faults do not cause any costs. The precautionary measures are also defined within the company processes.

Internal audits help KEYMILE to continuously improve the management system and in particular to adapt to changing requirements.

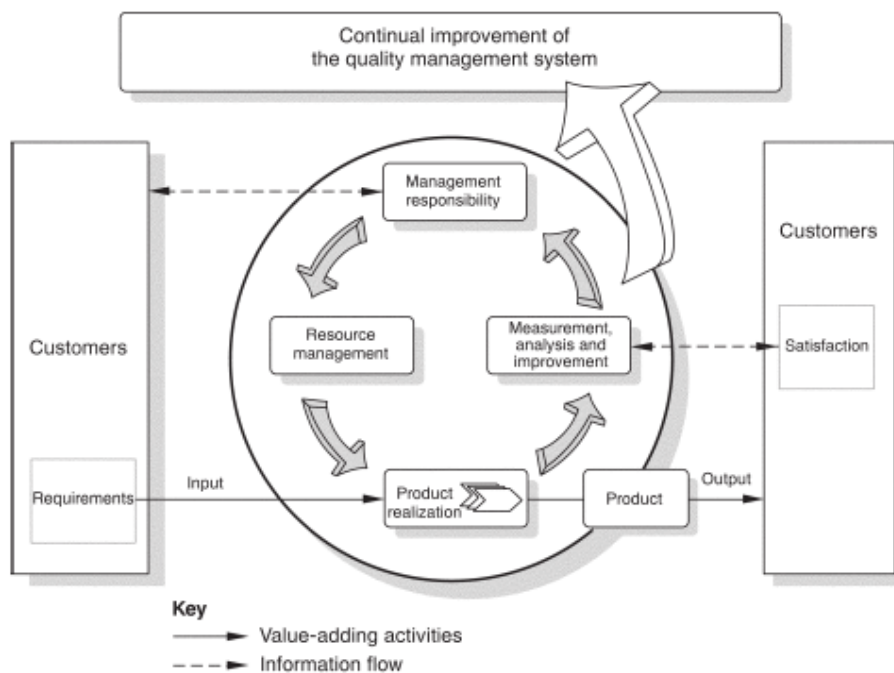


Figure 1 — Model of a process-based quality management system

6 Quality and Environmental Policy

The quality and environmental policy defines the main principles of our quality and environmental management and are the basis for quality and environmental targets in all processes and on all levels of the organisation.

6.1 Our Quality Policy

- We want to provide quality in every respect.
- We are committed to fulfil customer expectations and to secure our competitiveness by continuously improving our products and processes to gain mutual acceptance and trust.
- Quality is an integral part of our products, our internal processes and characterises our environmental behaviour.
- Our employees are encouraged by sponsorship and training to actively participate in the composition and implementation of our processes to jointly accomplish the KEYMILE targets.
- The quality of our daily work ensures that our performance meets the requirements and is adequate for the recipient. We endeavour to do things right the first time.
- KEYMILE is illustrated in a comprehensive management system that comprises all legal and functional areas. On the basis of this management system KEYMILE is certified according to "ISO 9001".
- Quality targets are specified, audited, checked and new defined.

6.2 Our Environmental Policy

- All products developed by us have to be
 - environmentally sound and
 - reusable or disposable in an environmentally friendly way.
- Environmentally relevant activities, products and services are constantly improved to reduce environmentally hazardous impacts. We aim at a reduction of the consumption of environmental relevant substances to protect resources and to relieve the environment.
- We are committed to observe applicable environmental laws mentioned in a legal register. Further official or local requirements concerning environmental protection do not need to be considered by KEYMILE.
- We assess ecologically harmful impacts of activities, products and services on the basis of classification numbers to derive new objectives.
- Our environmental policy is documented in the environmental management system and is assessed in regular intervals.
- Our employees and contractors have to be informed and trained so that they can observe their responsibility in line with our environmental policy.

The environmental policy is presented on the Internet for interested parties.

6.3 Export Control Policy

- An early consideration of classification of
 - components during the selection phase and
 - products during the development phaseminimises restrictions for deliveries.
- An early classification of customer and check of the classification during the offer process avoids delivery delays.
- Systematically checks of the Export-Control-process avoid a violation of legal and company internal regulations.
- Regularly training keeps the employees involved in the current state of laws and regulations.

7 KEYMILE's Vision and Strategy

7.1 Vision

In 2022 KEYMILE will be a leading provider to hybrid broadband networks, which handle both fixed line technology and new programmable virtualized networks (SDN)

7.2 Strategy

- Support customers in the transition and modernization of their network architecture
- Focus on being the trusted supplier and service partner for our customers
- Design and implement a value generating open source broadband architecture as part of an ecosystem

8 KEYMILE Organisation

KEYMILE is a company acting worldwide with different cultures and traditions. The process-oriented organisation secures a smooth flow seamless course in the matrix of cross-national functional and country-specific legal organisations.

Each company process is guided by a process owner who is responsible for definition, realisation, monitoring and assessment of his process. The process owner can be an organisational superior but this is not mandatory. Process owners look after their function within the complete KEYMILE group (processes have no boundaries).

In the organisation matrix the functional organisation is the leading one in order to support the close cooperation between the KEYMILE locations and to use synergies irrespective of the countries. Decisions are taken within the functional organisation, multi-functional issues are decided in close cooperation with the involved functional organisations.

Temporary tasks are processed in projects. The project sponsor (equal to the project initiator) starts, finances and steer the project. The project leader guides the project employing the existing resources and processes.

8.1 QM/UM Representative

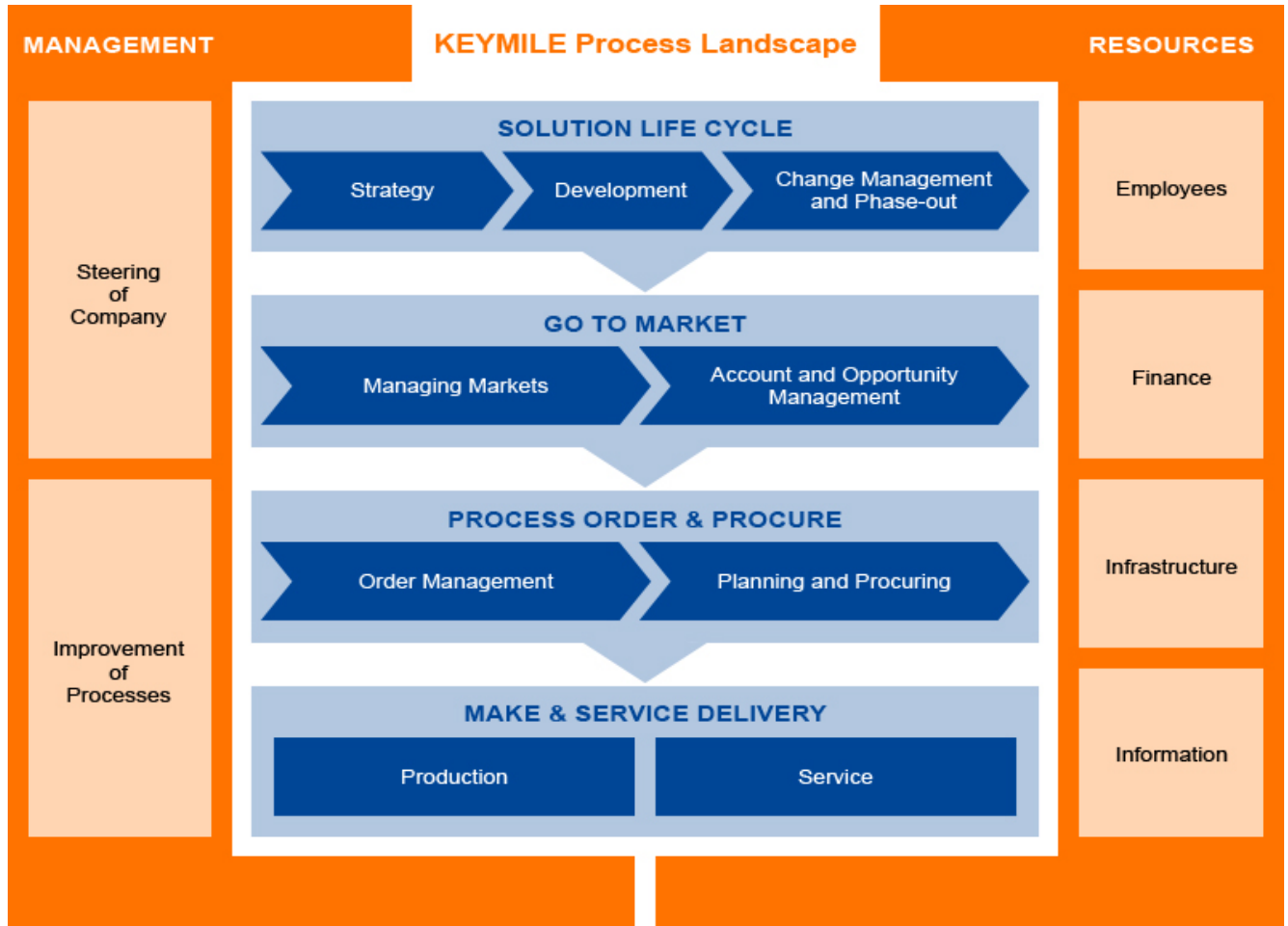
Henning Hoefs acts as quality and environmental representative (QMB) on behalf of the KEYMILE management. He is responsible and authorised to implement, realise and maintain the processes required for the quality and environmental management system. The KEYMILE group is represented towards external quality organisations by the representative for the quality and environmental management. Lothar Schwemm is responsible for the quality and environmental management in the KEYMILE management. The QMB reports directly to him.

At the other locations country-specifics are handled by the respective directors, who also improve the management system.

8.2 Process Landscape

The process landscape displays the main processes and is divided into value creation and support processes. The value creation processes (see core of the process landscape) describe the cycle from the product strategy to customer support. The support processes (see shell of the process landscape) describe secondary tasks that are not directly linked to the product processes.

The main processes contain several processes with the corresponding process descriptions and forms. These documents are accessible for all employees at the Intranet.



9 Environmental Management

The environmental management system (EMS) meets the requirements of ISO 14001. The EMS representative is supported by the EMS responsables from the different areas. The requirements to protect the resources are described in the EMS which can be found on the Intranet.

Legal requirements that are relevant for KEYMILE are listed in the environmental rights register and will be checked for adherence and up-to-dateness.

All hazardous substances are listed in the register of hazardous substances and deposited with safety data sheets and operation manuals.

Environmental aspects as well as incoming and outgoing quantities are verified annually. Classification numbers are derived from the established data in order to initiate relevant environmental programmes. Emergency situations are determined in reference to environmental aspects.

The site "My contribution to environmental protection" lists various measures for ecology-minded behaviour.

With subsidiaries worldwide and a global network of partners,
we serve customers in over 100 countries.



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