

Integrated Management System

Bradken Process Framework (Quality Manual)



SAI GLOBAL
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2 BK SP MS Bradken Process Framework (Quality Manual)

1.0 SCOPE, RESPONSIBILITY AND OBJECTIVES

The Bradken Process Framework is binding throughout Bradken. The contents are authorised for use by:

Name	Position	Signature	Date
Brian Hodges	Managing Director		
Wayne Herbertson	Global General Manager HR, OHS and Systems		

Bradken operates a global Quality Management System which complies with the requirements of ISO9001:2008 for the following scope:

The provision of design, manufacture (iron and steel casting; metal fabrication and machining; ceramic and rubber composite production; corrosion, erosion and wear resistant overlay production), repair, refurbishment, modification, construction, maintenance and supply of capital equipment and consumable parts for the mining, quarrying, construction, rail freight, transportation, oil sands, power generation, steel making, smelting, sugar, cement and general engineering industries.

The processing and recycling of steel waste materials for domestic and export trade purposes.

The Company's ISO9001 certification includes the following capabilities at each of its audited global facilities.

The provision of office services including Sales, Finance and Management Support:

[Global Corporate Centre and Divisional Head Office \(Mining & Transport / Mineral Processing\)](#)

20 McIntosh Drive Mayfield West NSW 2304 AUSTRALIA

[Divisional Head Office \(Engineered Products\)](#)

12200 NW Ambassador Drive Suite 647 Kansas City MO 64163 UNITED STATES

[Divisional Head Office \(Fixed Plant\)](#)

170 Railway Parade Bassendean WA 6054 AUSTRALIA

[Regional Office \(Engineered Products\)](#)

Unit 1 Dodds Close Rotherham S60 1BX UNITED KINGDOM

[Regional Office \(Mineral Processing\)](#)

90 Richmond Street East Suite 400 Toronto Ontario M5C 1P1 CANADA

The provision of Design and Development services:

[Divisional Head Office \(Mining & Transport / Mineral Processing\)](#)

20 McIntosh Drive Mayfield West NSW 2304 AUSTRALIA

[Divisional Head Office \(Fixed Plant\)](#)

170 Railway Parade Bassendean WA 6054 AUSTRALIA

[Regional Office \(Engineered Products\)](#)

400 South Fourth Street Atchison KS 66002 UNITED STATES

[Regional Office \(Engineered Products\)](#)

Unit 1 Dodds Close Rotherham S60 1BX UNITED KINGDOM

[Regional Office \(Mineral Processing\)](#)

90 Richmond Street East Suite 400 Toronto Ontario M5C 1P1 CANADA

[Regional Office \(Fixed Plant\)](#)

9624 – 35 Avenue Edmonton Alberta T6E 5S3 CANADA

Foundry Facilities for the manufacture of steel and iron castings to customer specifications:

3021 South Wilkeson Street Tacoma WA 98409 UNITED STATES

13040 Foulks Lane Amite LA 70422 UNITED STATES

400 South Fourth Street Atchison KS 66002 UNITED STATES

3040 Osler Street London Ontario N5Y 5R7 CANADA
Dawes Lane Scunthorpe North Lincolnshire DN161DN UNITED KINGDOM
Heath Road Darlaston West Midlands WS108JL UNITED KINGDOM
76 Nathan Road Runcorn QLD 4113 AUSTRALIA
Karrabin-Rosewood Road Karrabin QLD 4306 AUSTRALIA
Boogan Road Boogan Innisfail QLD 4860 AUSTRALIA
25 Queen Street Wodonga VIC 3690 AUSTRALIA
80 Cromwell Road Kilburn SA 5084 AUSTRALIA
52 Hawke Avenue Wundowie WA 6560 AUSTRALIA
410 Hobart Road Youngtown TAS 7249 AUSTRALIA
105 rue de la Fonderie Mont-Joli Quebec G5H 1W2 CANADA
Lot 19 & 20, Merlimau Industrial Estate, Merlimau Melaka, 77300 MALAYSIA
No.120, XuHai Road, Xuzhou Economic & Technological Development Zone, Jiangsu Pro., CHINA

Assembly and fabrication of transit trucks:

3811 South 48th Terrace St Joseph MO 64503 UNITED STATES

Metal Fabrication, Machinery Engineering and Assembly Workshops:

3811 South 48th Terrace St Joseph MO 64503 UNITED STATES
45 Enterprise Drive London Ontario N6N 1C1 CANADA
170 Railway Parade Bassendean WA 6054 AUSTRALIA
36-40 Gilmore Street Invermay TAS 7248 AUSTRALIA
Karrabin-Rosewood Road Karrabin QLD 4306 AUSTRALIA
No.120, XuHai Road, Xuzhou Economic & Technological Development Zone, Jiangsu Pro., CHINA
9624 – 35 Avenue Edmonton Alberta T6E 5S3 CANADA
5905 – 86 Street Edmonton Alberta T6E 2X4 CANADA
6756 – 59 Street Edmonton Alberta T6B 3N6 CANADA
8515 Davies Road Edmonton Alberta T6E 4N3 CANADA

Receival, warehousing and dispatching facility:

46 Dulacca Street Acacia Ridge QLD 4110 AUSTRALIA
Unit 1 Dodds Close Rotherham S60 1BX UNITED KINGDOM

Metal Recycling and Processing:

76 Nathan Road Runcorn QLD 4113 AUSTRALIA

Responsibility for the updating, administration and ongoing development of this Framework rests with the position of General Manager – Human Resources, OHS and Systems, which discharges these duties with the support of those responsible for these functions in the Divisions, Businesses and Head Office groups.

The Bradken Process Framework is an integrated management system which provides a set of principles and definitions for the overarching management of processes throughout the Company. This framework is identified as Bradken's "Quality Manual" for the purposes of *ISO9001 Quality Management Systems – Requirements, ISO/TS 16949 Quality Management Systems – Particular requirements for the application of ISO9001:2008 for automotive production and relevant service part organisations and AS9100 Quality Management Systems - Requirements for Aviation, Space and Defense Organizations.*

To ensure the successful application of this Process Framework, Quality Representatives have been appointed in each Division, Business, Regional and Head Office location. The responsibilities of these personnel are to coordinate and control process optimisation and standardisation.



This Process Framework provides the foundation for the uniform and target-orientated design, implementation and control of all processes from the customer and to the customer, generating financial advantages for the Company in a sustainable way.

Bradken's certified facilities are audited by SAI Global for compliance with ISO9001 and ISO14001, as appropriate, in accordance with the agreed Audit Schedule prepared annually by SAI Global.

2.0 POLICIES AND POLICY STATEMENTS

2.1 POLICY

A Policy refers to a principle or rule that guides decision making of the Company and is generally based on a legal framework of the discipline to which it is relevant, and hence in most cases, it is obligatory or legally binding.

The purpose of a Policy is to provide good administrative guidance and to give directions on what is expected of employees, suppliers and other third parties contracted by the Company to provide goods and/or services.

2.2 POLICY STATEMENT

A Policy Statement is a formal document that outlines the process by which the Company conducts its affairs when certain circumstances occur. Policy Statements serve to clarify intent, describe how a Policy is administered and detail the particulars of a Policy. They serve to protect the Company from misunderstandings that might lead to unauthorised behavior or lawsuits.

The purpose of a Policy Statement is to function as a gatekeeper by lessening the risk of conflict and by removing the opportunity for unfair selective application of rules.

2.3 BRADKEN POLICIES

The Management of Bradken has developed a range of Policies and Policy Statements covering those disciplines having regulatory and legal obligations as well as potential business risk attached to them.

Design and development of Bradken's processes are predicated on the Policies and Policy Statements derived from compliance criteria and legal requirements. Fundamental to the Company's business practices are the following mandatory documents required under ISO9001.

2 BK SP MS	Document Control
2 BK SP MS	Records Management
2 BK SP MS	Non-Conforming Products and Processes
2 BK SP MS	Continuous Improvement and Transformation (Corrective and Preventive Action)
2 BK SP MS	Auditing

3.0 STRUCTURE OF THE BRADKEN PROCESS FRAMEWORK

3.1 BENEFITS

There are clear benefits to process standardisation, including:

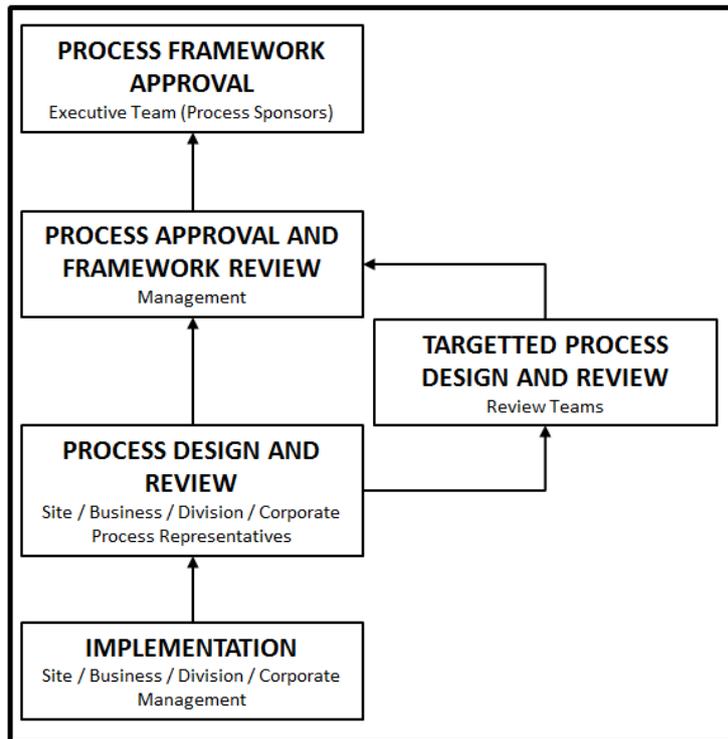
- overarching benchmarking and best practice sharing;
- common language and common understanding of processes;
- the realisation of synergies and cost savings through:
 - rapid implementation of standardised processes;
 - consolidation of applications;
 - exploitation of synergies; and
- the configuration and design of specific business processes from customer to customer.

3.2 PROCESS MODELLING

The Bradken Process Framework contains principles and definitions for:

- process modeling methods;
- reference processes; and
- process management roles.

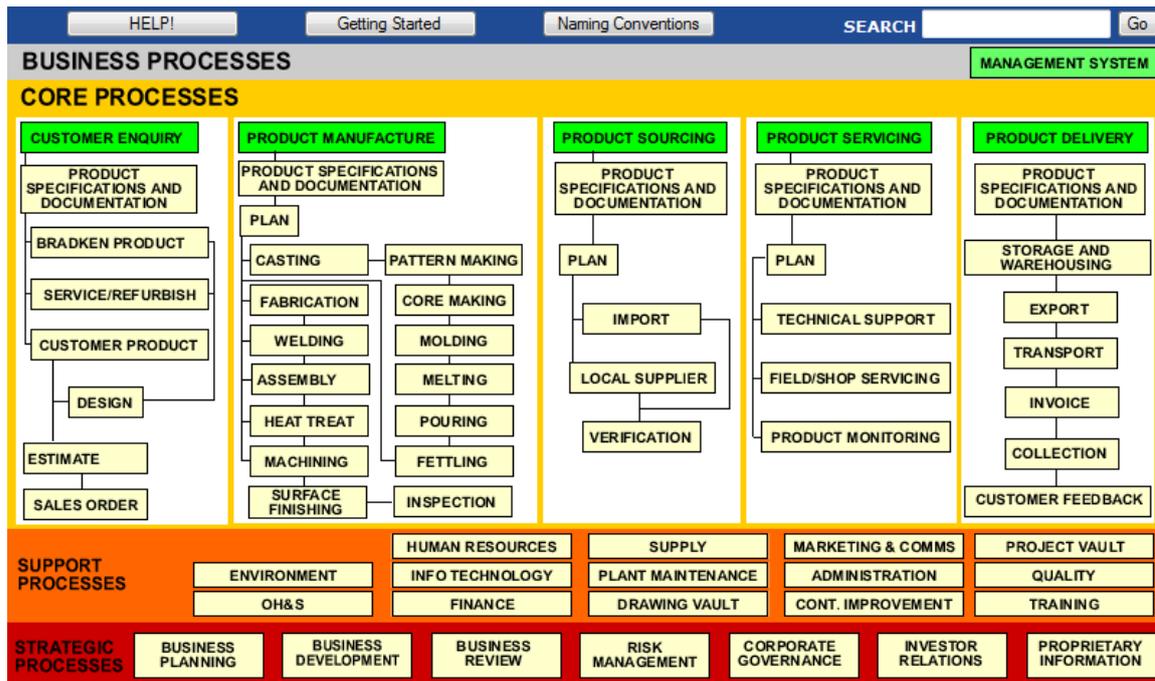
Process modeling methods define the structure and rules for uniform and consistent modeling and process documentation. The reference process describes the generic benchmarked standard for target processes. These benchmarked processes provide insight into how benchmark companies perform standard processes and as such provide an excellent guide in implementation of internal processes.



The process management roles define the decision structure for the definition and implementation of standard processes.

The process framework is defined through three distinct process groupings as follows.

- **Strategic Processes** – Processes that define the future and external influences on the company including risks to the Company;
- **Support Processes** – Processes that are common across the Company and provide support to the core processes; and
- **Core Processes** – Processes which deliver direct value to the customer.



This Process Framework maps the totality of all current processes which are described as mandatory target processes and thus form the basis for the business specific processes. The processes are to be documented to the implementation level using a staged concept and observing applicable conventions.

- Level 1 - Benchmark Process (Reference)**
- Level 2 - Company-wide Mandated Minimum Requirements or Policy**
- Level 3 - Division / Business / Function Specific Process**
- Level 4 - Site / Facility Specific Process**

The levels of documentation refer to a hierarchy of documentation and therefore indicate precedence.

Level 1 process documentation refers to industry benchmark processes. These processes are not mandatory but provide an insight into best practices in a particular area or expertise. Such processes are defined as Reference Process documentation. This material should therefore be considered prior to the implementation of any subsequent process level documentation.

Level 2 documentation refers to Company-wide mandated policies and processes. These define the minimum requirements to be employed. They are considered Company policy and must be implemented throughout all levels of the Company, whether Division, Business or Regional.

Level 3 documentation refers to Division, Business and Function mandated processes. These processes define the minimum requirements to be employed within a Division, Business or Functional Group.

Level 4 process documentation refers to specific Division, Business or Site processes and therefore has no application outside these specific areas. Such processes are for internal use within these groups.

4.0 PROCESS DEFINITIONS

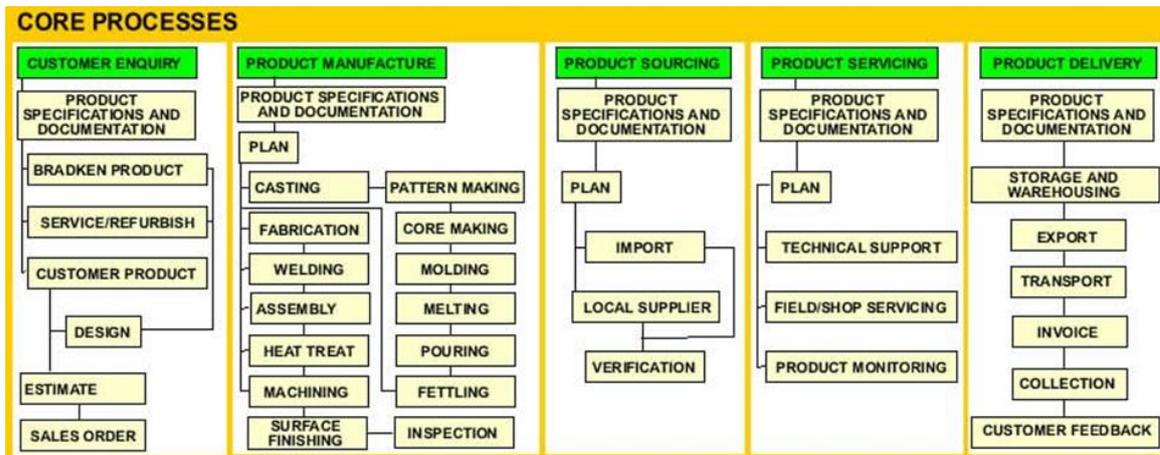
4.1 STRATEGIC PROCESSES



Strategic processes are those which:

- define, analyse and control the operating and support processes of the Company;
- set Key Performance Indicators (“KPI”) and benchmark targets; and
- focus on setting the Company’s strategic direction and expectations for measuring and reporting operational performance.

4.2 CORE PROCESSES



Core processes are defined as value adding procedures which;

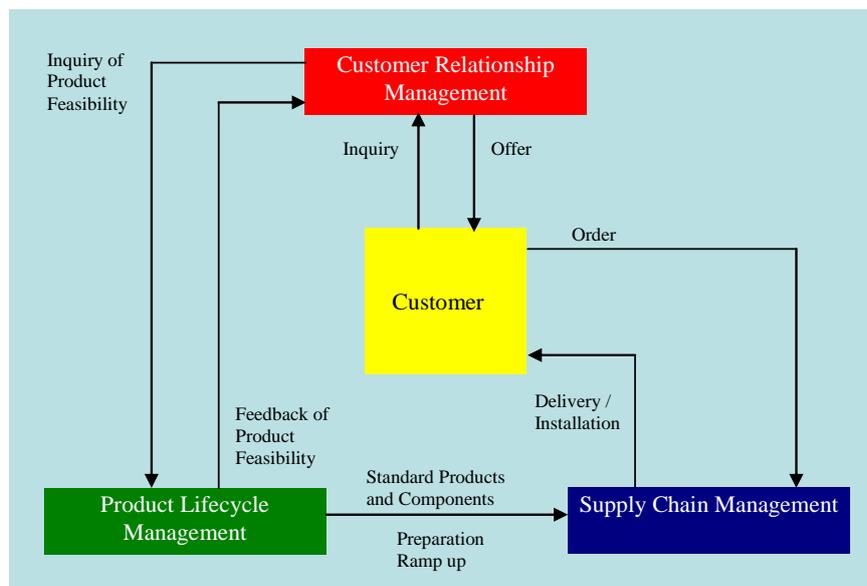
- include all steps from ideas for a product to the finished product/service;
- ensure an adequate return on investment for the company; and
- focus on the benefits for customers.

The three overarching core processes within the Process are:

- Customer Relationship Management (CRM);
- Supply Chain Management (SCM); and
- Product Lifecycle Management (PLM).

All business processes are customer oriented. Customer demand is fulfilled by specific end-to-end processes that depend on customer requirements. The processes employed to affect the delivery of customer value are dependant on the nature and type of the product or service offered.

Interrelationship of Business Processes



4.2.1 Customer Relationship Management

Customer relationship management is a customer driven business approach that focuses all business activities on achieving a lifelong win-win partnership with the customer. Customers are attracted, developed, retained and recovered in accordance with the customer lifecycle.

Key aspects of customer relations include understanding customer and market, selling the customer products, systems, projects, solutions and services and the provision of comprehensive customer care.

Customer relationship management aims to increase customer loyalty and customer profitability.

4.2.2 Supply Chain Management

Supply chain management is the customer orientated, value adding design, planning and controlling of the global supply chain network from the placement of the order to guaranteeing the cash required to purchase the goods and payment processes. It brings together responsibility for all of the material, information and value flows involved in customer order fulfillment. It aims to be holistic, process orientated, simple, transparent and time efficient.

The supply chain includes the source, make, deliver, inspect, approve and planning processes for products, systems, projects, solutions and services for the customer irrespective of whether the goods are manufactured in-house or outsourced, and includes returns for recycling.

The goal of supply chain management is short delivery lead times and high delivery capability, delivery reliability and delivery quality, and low supply chain costs i.e. process costs and inventory costs.

4.2.3 Product Lifecycle Management

The product lifecycle includes all of the processes in the products lifecycle from the initial idea, through to phase out. It includes overarching product portfolio management as well as define, realise, commercialise, and phase out processes for products, systems, projects, solutions and services.

Product lifecycle management includes the customer orientated planning, management, monitoring and controlling of the whole product lifecycle process. It also includes managing all of the information relevant to the product and process, and responsibility for the product over the entire lifecycle.

The goal of product lifecycle management is to increase product mix profitability throughout the product lifecycle by creating customer value added benefits and satisfaction.

Within Bradken these core processes have been further differentiated to better define the business as follows:

4.3 SUPPORT PROCESSES

SUPPORT PROCESSES	ENVIRONMENT	HUMAN RESOURCES	SUPPLY	MARKETING & COMMS	PROJECT VAULT
	OH&S	INFO TECHNOLOGY	PLANT MAINTENANCE	ADMINISTRATION	QUALITY
		FINANCE	DRAWING VAULT	CONT. IMPROVEMENT	TRAINING

Support Processes assist the Core Processes and Strategic Processes and are not site dependant. These processes are common across the Company and allow the Core Processes to be focused on directly adding value. Support Processes add indirect value to the products and services offered by the Company. These processes may vary from time to time dependant on particularly Core Process needs.

Support processes include such Company-wide functional systems as:

- Customer Feedback Reporting (CFR) System
- Business Improvement Request (BIR) System
- Enterprise Risk Management (ERM) System
- Paradigm Document Management System

5.0 PROCESS REFERENCE STANDARDS

The overall Bradken Process Framework satisfies the requirements of the international standards ISO9001, ISO/TS16949, AS9100, ISO14001 and OHSAS18001. The Framework has been developed in accordance with the guidelines in standard ISO9004 and has been structured around the Company's business processes.

Individual operations within the Company may not address all the requirements of all the Standards, depending on the scope and nature of their business. However, collectively all requirements are addressed in the overall Process Management System.

5.1 LIST OF RELATED STANDARDS

ISO9001	Quality Management Systems – Requirements
ISO9004	Quality Management Systems – Guidelines for Performance Improvements
ISO14001	Environmental Management Systems – Requirements with Guidance for Use
ISO/TS16949	Quality Management Systems – Particular requirements for the application of ISO 9001:2008 for automotive production and relevant service part organisations
AS9100	Quality Management Systems - Requirements for Aviation, Space and Defense Organizations
ISO19011	Guidelines for Quality and/ or Environmental Management Systems Auditing
OHSAS18001	Occupational Health and Safety Management Systems
AS/NZS4360:2004	Risk Management
AS3806:2006	Compliance Programs
AS8000:2003	Good Governance Principles
AS8100:2003	Fraud and Corruption Control
AS8004:2003	Whistleblower Protection Programs for Entities

5.2 OTHER REFERENCE DOCUMENTS

Other documents used in the development of the integrated management system include:

HB90.3:2000	The construction industry guide to ISO9001:2008
HB139:2003	Guidance on Integrating The Requirements of Quality, Environment and Health and Safety Management Systems Standards
Safety MAP	A guide to occupational health and safety management systems
2 BK SP MS Getting Started	A guide to understanding and using the Bradken Integrated Management System

6.0 PROCESS DEVELOPMENT

Processes shall be documented in terms of the hierarchy of documentation and the components of the process. All critical process documentation shall be appropriately controlled in order to protect intellectual capital.

6.1 PROCESS NAMING CONVENTIONS

Process documentation shall be managed in accordance with 2 BK SP MS Document Control.

The naming conventions provide for the interrogation of the process documentation and ensure alignment according to the hierarchy of document control.

6.2 PROCESS DEVELOPMENT CRITERIA

Processes are developed by process and subject specialists to reflect the Company's business processes, and the requirements of relevant legislation, regulatory requirements and codes of practice.

The range, detail and scope of the processes is determined by the methods used in performing the process, the complexity of the work and the skills and training needed by personnel involved in carrying out the process activities.

In general, procedures are developed in accordance with the following criteria:

- For critical and/or complex processes which require a high degree of control and verification.
- For consistency, i.e. processes that must always be carried out in the same way.
- For processes which are performed infrequently, to avoid re-learning the process.
- For knowledge retention and training of new employees.
- As a general reference document.
- Where there is a contractual or legislative requirement.
- For processes where there is a high risk of significant damage or injury to property, persons or the environment.

7.0 REVIEW, UPDATING AND DISTRIBUTION

7.1 GENERAL

This Process Framework will be revised when required to incorporate alterations which may result from changes in corporate policy, organisational restructure, division or business process changes, new or revised standards, improvement activities or legislative requirements.

7.2 REVISION AND ISSUE

Updates to the Process Framework are made by re-issuing a complete sub-section of the manual.

After a substantial number of separate revisions to the framework, or if significant changes are required throughout the Process Framework, a new issue of the whole Process Framework is made.

Issues and revisions are controlled within the Paradigm Document Management System and are indicated by an issue number on each page. This number comprises three components, the first being the issue number, the second being the revision and the third being a minor amendment or correction. For example:

- Issue: 1.0 = First issue, no revision
- Issue: 1.4 = First issue, fourth revision
- Issue: 1.6.2 = First issue, sixth revision, second minor amendment or correction
- Issue: 2.0 = Second issue, no revisions

The issue status of each section of the Framework is shown in the information table within the Paradigm System. Complete revision histories are available through the properties menu in Paradigm.

7.3 **AUTHORISATION**

Revisions to individual sections of a manual are authorised for use jointly by the authorisers designated within the Paradigm Document Management System. Only authorised documents are able to be published to the Process Documentation intranet site. All printed documents are considered uncontrolled.

7.4 **PROCESS DOCUMENT FORMATTING**

All process documentation shall include:

- Date of issue
- Version
- Process Name identification
- Name of authoriser
- Bradken Copyright with date of first issue (This initial date does not change)
- Bradken ABN

Use of Company Logos shall be in accordance with the guidelines prescribed in the Bradken Styleguide.

7.5 **DISTRIBUTION**

Company process documentation is distributed through the company Process Documentation intranet site and via the Paradigm Document Management System.

8.0 **ABBREVIATIONS**

8.1 **GENERAL**

This section describes abbreviations and terms used in the Process Framework. Unless specifically mentioned otherwise, the terms and definitions in standard ISO8402 are also applicable.

8.2 **ABBREVIATIONS LISTING**

Abbreviations used within the system shall be defined in the relevant documentation.

9.0 RELATED CORPORATE DOCUMENTATION

The Process Framework is one of a number of policy manuals produced at Corporate, Divisional, Business, Site, Regional and Functional level which together provide the policies for the Company's operations.

The Company policy manuals include:

REFERENCE	PURPOSE	ISSUED BY
Signature Authority Guidelines	Corporate Policies & Procedures & Signature Authorities	CFO / CEO
Code of Conduct and Ethics	Corporate values, business philosophy and culture	CEO
Bradken Human Resources Manual	Company personnel policy and procedures	General Manager – HR
UNIBIS Information Technology Platform	System used to control financial data	Group IT Manager
Vendor Maintenance Manual	Vendor management	Group Supply Manager
Records Retention, Archive and Disposal	General procedures for retaining, archiving and records disposal	Company Secretary
Chart of Accounts	Account codes, descriptions for budgeting purposes	CFO
General Contract Conditions Guidelines	Guidance on use and acceptability of contract conditions	CFO
Information Security Guidelines	Guidance on protection of proprietary information, security and backup, including virus protection for IT systems	CIO
Emergency Manual	Guidance on emergency management	General Manager - HR
Risk Management Manual	Crisis management and business recovery processes	CFO
Compliance Program Manual	Compliance Policies and Procedures	Company Secretary
Bradken 21 Step Safety Framework	Safety Policies and Processes	General Manager - HR
Bradken Environmental Manual	Environmental Policies and Processes	Environmental Manager
ESH Guidelines	Environmental safety and health guidelines	General Manager - HR
Styleguide	Use of Company logo, formats, styles, branding etc	Corporate Marketing Manager
Licences Manual	Company Land Titles and Licenses	Company Secretary
Compliance Program Manual	Guide to Standards Compliance	Company Secretary

The content and naming conventions employed in these associated manuals must align to this Process Framework and be authorised through the Company's Document Management System to ensure availability and currency.

10.0 COMPANY ORGANISATION

10.1 GENERAL

Bradken Limited is a publicly listed Company on the Australian Securities Exchange (ASX). The company consists of a number of operating companies based both in Australia and internationally. A copy of the Bradken Group Structure is available from the Company Secretary.

Bradken's business structure comprises an Executive Management Group, four Divisions, one Business, Corporate and Regional Support Functions, and regional sales offices and warehouses.

The Executive Management Group and Corporate Services Groups are consolidated in Newcastle, New South Wales, Australia together with several of the Divisional Management Teams.

The Company has many establishments throughout Australia, New Zealand, the United Kingdom, USA, Indonesia, Africa, Europe, Malaysia, India and China which include manufacturing facilities, sales, engineering operations, warehouses and project sites.

The manufacturing sites include sales, engineering and service operations that are an extension of, and report back to the respective Division or Business management. The Company organisation structure is available on the Bradken Intranet site.

10.2 PROCESS DOCUMENTATION COORDINATION

The process documentation activities are similarly coordinated on a Corporate, Divisional, Business Regional and Functional basis.

For process documentation matters of a general nature, liaison is through the General Manager – Human Resources, OHS and Systems, while specific Division, Business or Function related process matters are managed through the Quality Representatives allocated for the respective entities.

The names of the Site Quality Representatives are shown in the departmental working charts, contained in the Company Intranet sites and are available on BradNET, the Company's intranet.

11.0 ORGANISATIONAL INTERFACES

As well as the centralised Corporate Services Groups, which provide support to all Corporate, Divisional, Business Regional and Functional groups, other internal interfaces occur between Divisions and Businesses.

These interfaces are detailed in the Division or Business processes. For specific large projects, where more than one Division or Business is involved, the interfaces may be specified in the Management System plans for the project or a responsibility chart or table.

12.0 RESPONSIBILITY, AUTHORITY AND ACCOUNTABILITY

12.1 GENERAL

To ensure that our products and services meet or exceed customer expectations, and that they are produced in a safe and environmentally friendly manner, it is important that each staff member understands his or her responsibilities, and has sufficient authority to carry out tasks for which they are accountable.

12.2 ORGANISATIONAL AUTHORITY

The level of organisational authority for nominated employees is determined by the Authority Limits prescribed by the Corporate Function and roll down through the Divisions and Businesses, and is the responsibility of the Chief Financial Officer.

Where it is necessary, for specific projects, to define different signature authorities to those described in Corporate and Division authority limits, they are specified in the relevant project management plan once approved by the appropriate Commercial Manager or delegated authority.

If an authorised signatory is absent, the authority is automatically delegated upwards, unless specifically allocated in writing by the authorised signatory or higher level signatory.

12.3 RESPONSIBILITY AND DELEGATION THROUGH LINE MANAGEMENT

The Managing Director bears the overall responsibility for the business activities and success of the Company and thus also for the quality, safety and environmental impact of the goods and services produced by or on behalf of Bradken.

The responsibility for achievement of Company objectives and compliance with legislative requirements is delegated from the Managing Director through designated Executive Managers to the heads of department.

The management of each Division or Business have operational responsibility for product and service quality, profitability and for health, safety and environment protection within the operation of their Division or Business.

Individual Division or Business management must ensure that their processes are planned, documented and implemented in accordance with the guidelines in this Process Framework. They must also ensure that this approach is understood by, and adhered to by all levels of their Division or Business.

It is the responsibility of Managers and Supervisors to define in a suitable manner, the responsibility and authority of all those persons in their charge who perform tasks which may have a direct or indirect impact on the quality of goods and services, the health or safety of themselves or others, and those which may affect the environment.

This shall include the responsibility and authority to:

- identify and prevent potential risks or nonconformities in products, services, systems, practices or processes;
- document existing or potential problems or risks with products, practices, processes or services and initiate, recommend or provide appropriate solutions;
- verify the effective implementation of solutions;
- control the use or further processing of nonconforming products or services until the nonconformity has been rectified;
- stop the continuation of practices or processes which may cause injury, endanger health and/or adversely impact on the environment; and
- take emergency action to treat injuries or control environment impact situations.

Managers and Supervisors shall ensure that persons allocated with the above responsibilities and authorities have the necessary level of competence, experience, formal qualifications and training to carry out these responsibilities.

12.4 **BRADKEN BOARD OF DIRECTORS**

The Board of Directors comprises the Managing Director and a prescribed number of Non-executive Directors who are responsible for ensuring the good corporate governance of the Company's business activities are implemented and maintained.

The signature authorities of the Board, as well as the Company Secretary for signing of documents under seal and certain "formal" documents, are prescribed in the Company's Authority Limits guidelines.

12.5 **EXECUTIVE MANAGEMENT TEAM**

This group comprises the Managing Director, Chief Financial Officer, Chief Operating Officer, Executive General Managers, General Manager – Human Resources, OHS and Systems, General Manager – Corporate Development and Chief Technical Officer who have direct authority over setting the long term strategic direction and the daily business activities. The signature authorities for the Executive management Team are given in the Company's Authority Limits guidelines.

12.6 **HEALTH, SAFETY & ENVIRONMENT**

The responsibility for compliance with health, safety and environment legislation is specifically applied to "the employer".

As the employer, Bradken, delegates that responsibility to each of the corporate, division, business and site managers. In turn that delegation flows down the management line to the relevant supervisory staff. Each of these levels of management is responsible for ensuring compliance with all relevant legislation, regulations, codes of practice and international standards as applicable.

The General Manager – Human Resources, OHS and Systems shall be responsible for the provision of support to all management levels for all health and safety matters. Businesses are also supported through a trained network of safety and environmental representatives.

12.7 **PROJECTS AND CONTRACTS**

Where several Divisions, Businesses or Function Groups are involved in a project, the Project Management Team takes the overall process responsibility. The Project Management Team is responsible for achieving agreement about coordinated profitability, quality and health, safety and environment measures, and for monitoring that these measures take place.

Where it is necessary to appoint Quality, Safety and Environmental Representatives for specific projects, these representatives must report directly to the Project Manager. When contracts are placed with external suppliers or sub-contractors, the project group placing the order is responsible for assuring and monitoring the supplier or subcontractors financial and legal status, quality and health, safety and environment processes.

12.8 INFORMATION SECURITY

All personnel have a responsibility to adhere to the Information Security guidelines. All managers have a responsibility to ensure that Information Security guidelines are adhered to.

12.9 VERIFICATION AND IMPROVEMENT

All personnel are actively encouraged to identify and record problems, and initiate, recommend or provide solutions through designated channels including the CFR, BIR, ERM and Paradigm Systems.

As with all other processes, it is assured that verification activities are defined, and trained personnel carry out these activities.

12.10 CORPORATE PROCESS / QUALITY MANAGEMENT

The manager of each division and business is guided and assisted by the General Manager – Human Resources, OHS and Systems, in fulfilling their responsibilities for quality assurance. The General Manager – Human Resources, OHS and Systems reports directly to the Managing Director.

The responsibilities of the General Manager – Human Resources, OHS and Systems and General Manager – Corporate Development include, but are not limited to:

- develop the corporate management system policy and coordinate implementation by the various division and businesses;
- coordinate the development of annual quality programs;
- assist to coordinate external audits;
- assist in the solution of inter-division quality problems;
- develop relations with government agencies, industry associations, standards bodies and professional societies on all quality matters;
- report to corporate management on the effectiveness of the quality management system as a basis for improvement of the system; and
- ensure that the quality management system is established, implemented and maintained in accordance with the requirements of the appropriate standards.

12.11 BUSINESS QUALITY ASSURANCE

Each Division, Business and site within the Bradken Group has a Quality Representative appointed. The Quality Representative is the nominated management representative, who has the responsibility and authority to ensure that the requirements of the relevant international standards are implemented and maintained in accordance with the Bradken Process Framework.

12.12 QUALITY REPRESENTATIVES

The role of the Quality Representative is to assist the head of each division, business or site in maintaining effective processes in line with the Bradken Process Framework.

The Quality Representatives have the authority to stop the use of goods or services for which the required assurance activities have not been carried out, or which are identified as not conforming to specification.

The responsibility, however, lies with the division or business management, who should themselves stop such use of goods and services, such that the Quality Representative need not use this authority.

Responsibilities of the Quality Representatives include:

- gaining up-to-date knowledge in the techniques of process management;
- acting as the business consultant on process matters to assist the business in fulfilling their functions;
- coordinating process documentation;
- coordinating business process improvement plans;
- cooperating with the General Manager – Human Resources, OHS and Systems in ensuring a consistent, company-wide integrated management systems direction;

- coordinating process training for all staff;
- coordinating internal and external process system audits; and
- promoting the business process documentation system as widely as possible, and act as the business interface on quality matters.

12.13 SAFETY AND ENVIRONMENTAL REPRESENTATIVES

The role of the Safety and Environmental Representatives is to assist the head of each business in maintaining effective processes in line with the Bradken Process Framework.

They have the authority to stop any process that they believe may be detrimental to safety of personnel or damage the environment.

The ultimate responsibility, however, lies with the business management, who should themselves stop activities, such that the coordinators need not use this authority.

Responsibilities of the Safety and Environmental Representatives include:

- gaining up-to-date knowledge in the techniques of process management in safety and environment;
- acting as the business consultant on safety and environmental matters to assist the division and business groups in fulfilling their duties;
- applying the Bradken-wide safety and environmental processes and coordination of division and business specific documentation;
- coordination of business process improvement plans;
- cooperation with the General Manager – Human Resources, OHS and Systems and Environmental Manager in ensuring a consistent, company-wide integrated management system direction;
- coordinating safety and environmental process training for all staff;
- coordination of internal and external process system audits as required; and
- ensuring that they are up to date with legislative changes in order to maintain legal compliance.

13.0 PROCESS PLANNING

13.1 GENERAL

There shall be appropriate planning of those activities which impact on the ability of the company or a division or business field to provide products or services which meet customer requirements, the company's business objectives and regulatory requirements. This includes quality, occupational health and safety and environment protection requirements along with financial considerations.

The range and detail of planning shall be dependent upon the criticality of the process and the risk of loss, damage or injury to persons, property, the environment or the company.

Planning activities are divided into the three broad, inter-related categories:

- **Management Systems**

Activities related to the initial development and the on-going maintenance of the integrated management systems for quality, safety, and environment protection.

- **Product Service or Project Requirements**

Activities related to the provision of goods and services to our customer (both internal and external).

- **Organisational Requirements**

Activities related to business planning, continuous improvement and transformational change.

13.2 PLANNING FOR MANAGEMENT SYSTEMS

Appropriate planning shall be carried out for the development, implementation and maintenance of the Process Framework. This planning shall include, as appropriate:

- determination and allocation of resources and responsibilities for the development, implementation and maintenance of the processes;
- identification and provision of required training for personnel engaged in process activities; and
- planning and scheduling of management reviews and auditing of the management systems.

13.3 PLANNING OF PRODUCT, SERVICE OR PROJECT REQUIREMENTS

Appropriate planning shall be carried out for the development, production, installation and servicing of goods and services for our customers, both internal and external. This planning shall include, as appropriate:

- resource planning including personnel, plant and equipment, floor space, site facilities and handling and storage facilities;
- determination of check and verification requirements, including inspection and testing equipment and methods, design verification and design validation techniques;
- analysis of risks for the organisation as a whole i.e. financial, HSE etc;
- project measurement and control, including types of software to be used, data collection methods, work breakdown structures, reporting and monitoring requirements;
- determination of regulatory requirements, including product safety requirements, electromagnetic compatibility requirements, licensing/permit requirements and OH&S requirements;
- development and project quality plans, including project organisation, quality practices and procedures, resources, check and verification methods and sequence or summary of project activities;
- analysis of customer/contract requirements;
- analysis of procurement requirements, including evaluation and selection of suppliers and subcontractors, determination of verification methods for purchased product, and lead time for delivery/supply;
- identification of the need for statistical techniques, for the control of processes and/or the measurement of progress;
- determination of appropriate commercial and contractual monitoring and control systems;
- determination of information security requirements; and
- determination of the need to produce quality plans and the appropriate format and content.

13.4 ORGANISATIONAL PLANNING

Organisational planning shall be appropriate to the nature of the respective division or business fields and in accordance with the identified risk profile and corporate management requirements. Organisational planning may include, as appropriate:

- financial budgeting;
- market analysis and segmentation;
- strategic planning and risk identification;
- development of business plans;
- key performance indicators;
- continuous improvement and transformational change strategies; and
- OH&S performance.

13.5 PLANNING DOCUMENTATION

The scope and detail of planning documents shall be determined by:

- the complexity and/or criticality of the work;
- the level of risk involved in the implementation of the process;

- the methods used in carrying out the activities;
- the skills and training needed to carry out the activities;
- customer's specified requirements;
- the requirements of the relevant Standards;
- regulatory requirements; and
- corporate management requirements.

14.0 ONLINE MANAGEMENT SYSTEMS

14.1 PARADIGM DOCUMENT MANAGEMENT SYSTEM

The Paradigm Document Management System establishes a uniform recording process for all critical and confidential Company process and business documentation.

Where such documentation needs to be displayed in other forms e.g. several intranet sites, the Paradigm document shall be used as the reference document ensuring a single source for all documentation.

The BradNET intranet site shall be maintained in accordance with the requirements of this framework and support the understanding and implementation of the Process Framework. The processes shall be displayed as per the process and build on the hierarchy of documentation and therefore show how company policy is rendered a reality at the division or business field level.

Access to the documentation shall be controlled based on a needs-to-know basis. This is managed within the Paradigm System through designated access and password controls. Only trained individuals are permitted to have change rights to the system process documentation.

The Chief Information Officer or his delegated representative has the responsibility for ensuring the development and integrity of the computer system and the protection of company process data through routine backups.

14.2 BRADKEN IMPROVEMENT REPORTING (BIR) SYSTEM

The BIR System establishes a uniform approach for initiating, investigating, monitoring, measuring, resolving and analysing all types of internal Company issues identified by Bradken employees and to ensure timely resolution and feedback to the initiator.

The BIR System is a purpose-built online record management system developed to capture and administer corrective and preventive actions from a variety of sources including:

- Non-conformances (both internal & supplier)
- Concession requests
- Process or documentation issues
- Poorly performing or defective products identified internally
- Improvement Opportunities for Safety, Quality or Environment
- First article/trial reporting
- Audit action items

14.3 CUSTOMER FEEDBACK REPORTING (CFR) SYSTEM

The CFR System establishes a uniform approach for initiating, investigating, monitoring, measuring and resolving Customer Feedback Reports received by Bradken representatives.

The CFR System is a purpose-built online record management system developed to capture and administer external issues related to goods and services that have been, or are in the process of being supplied to a customer including:

- Goods received that do not meet agreed standards and/or specifications
- Sale of products having prematurely failed in service, found to be defective or claimed not to have achieved the agreed or expected service life

- Non-conformances of a commercial nature, including incorrect invoicing details, late or inaccurate deliveries, incorrect part counts, etc.
- General feedback, both positive and negative, relating to products and services provided by Bradken

5.3 ENTERPRISE RISK MANAGEMENT (ERM) SYSTEM

The ERM System identifies, analyses and manages all levels of business (internal and external) risk related to any Division, Business or Functional Group.

The ERM System is a purpose-built online record management system and is linked to the BIR System to control and track actions. The ERM System ensures that Bradken's high standards of corporate governance are maintained and includes Risk Management initiatives which:

- focus on business objectives, risks and controls;
- strengthen the relationship between the management of risk by each Division, Business and Functional Group, and the success of the Company; and
- apply to all of the Company's Businesses, Executives and employees

The ERM System is used by Management to identify and record potential risks to the Company in a range of risk categories including:

- | | |
|----------------------------|------------------------------|
| • Strategic Management | • Financial and Commercial |
| • Asset Management | • General Management |
| • Manufacturing | • Information Technology |
| • Employees and Employment | • Intellectual Property |
| • Customers and Suppliers | • Social Media |
| • Reputation and Image | • Political and Governmental |
| • Social and Environmental | • Compliance and Governance |