

# Michlin Metals Inc. Supplier Quality Requirements

## **General Requirements**

The Supplier Quality Requirements with all of their terms and conditions become an integral part of Michlin Metals Inc. purchase orders in conjunction with Michlin Metals Inc. Standard Terms and Conditions. These requirements are to be flowed down to the supplier's sub-tier suppliers.

Any deviations or modifications to existing Purchase Orders will require written notification. **Verbal or otherwise unofficial instruction to deviate from the Purchase Order is not allowed.** Only a legible facsimile copy (fax) or electronic transmittal of the change order issued by Michlin Metals Inc. is considered adequate authority to proceed.

## **Supplier Performance**

Michlin Metals Inc. will evaluate suppliers based upon the quality of their product, delivery to schedule, and timeliness of responses to requests for corrective action. A history of substandard ratings may be cause for removal of the supplier from the Michlin Metals Inc. Approved Supplier List. The objective of Michlin Metals Inc. is to receive quality material on or before scheduled delivery dates.

## **Right of Access**

Michlin Metals Inc., our customers, government, or regulatory agencies have the right of access to the applicable areas of all facilities, at any level of the supply chain involved in this Purchase Order.

The supplier shall furnish reasonable support and access to manufacturing facilities, quality system documentation, quality records, third-party audit reports, and personnel responsible for implementing and maintaining the quality system.

## **Nonconforming Material, MRB, Variances and Requests for Deviation**

The supplier shall maintain a system for identification and segregation to ensure that nonconforming material is not intermingled with accepted material. **Michlin Metals Inc. requires notification of any/all nonconforming material and the supplier must obtain documented approval from Michlin Metals Inc. for any/all nonconforming material dispositions.** Previous dispositions shall not be considered precedence for acceptability. Michlin Metals Inc. may request supplier to submit cause and corrective action on discrepancies prior to acceptance of material.

## **Notification of Changes**

The supplier shall notify Michlin Metals Inc. of any changes to the suppliers or any sub-tier changes that affect purchase order requirements. Changes are defined as changes in company ownership and/or location, materials, configuration, process, sub-tier suppliers, inspection testing methods/techniques. Such changes may void all previous Michlin Metals Inc. supplier qualifications, certifications, approval status, and may require re-qualification. When required, the supplier shall obtain written approval from Michlin Metals Inc.

## **Record Retention**

The supplier shall retain a complete set of all records, hard copy or electronic, of all purchases by Michlin Metals Inc. These records shall be available to Michlin Metals Inc. upon request.

All records are to be legible, reproducible, and identified to the Michlin Metals Inc. Purchase Order. Records are to be stored and maintained in such a way that they are readily retrievable in facilities that provide a suitable environment to minimize deterioration or damage, and to prevent loss. This applies to Michlin Metals Inc. suppliers and their lower-tier suppliers.

The retention period for all records shall be ten (10) years minimum unless otherwise specified by the Purchase Order. Michlin Metals Inc., our customers, government, or regulatory agency representatives shall have full access to review records as they pertain to the Purchase Order.

## **Counterfeit Material Prevention**

All suppliers or distributors shall guard against the use and delivery of counterfeit material to Michlin Metals Inc. A "counterfeit" part is defined as: "A part falsely represented in some manner, e.g., manufacturer, date code, lot code, reliability level, markings, etc."

### **Preservation and Packaging, ESD and FOD Control**

All parts and materials intended for Michlin Metals Inc. shall be protected against the potential damage from shipping, ESD (Electrostatic Discharge), FOD (Foreign Object Debris), corrosion, moisture, contamination, deterioration or damage by processing, handling storage at the Supplier, or in transit to Michlin Metals Inc., or from any sub-tier supplier.

### **Manufacture Certification**

The supplier shall provide with each shipment one legible and reproducible copy of the manufacture certification. The certification shall include as a minimum:

1. Name and address of the original manufacture.
2. Statement attesting to all material specification requirements.
3. Latest specification revision level to which the item(s) were manufactured.
4. Country of Origin

### **Special Process Certifications**

The supplier and/or their sub-tier supplier performing any special process noted on the purchase order, drawing or specifications shall provide a separate certification for each process performed. The certification must identify the following as a minimum:

1. Suppliers name and address.
2. Michlin Metals Inc. purchase order number.
3. Quantity.
5. Lot number, batch number, or heat number.
6. Process name and specification/condition required
7. Name and address of the company that performed the process, if other than the supplier.
8. Signature, Title and date by an authorized representative of the issuing organization.

Special processes shall be performed to the most current revision.

### **Certification of Conformance**

The supplier shall provide a Certification of Conformance with each shipment, for each item shipped. The certification of Conformance shall certify that all requirements of the purchase order have been met. The certification must contain the following as a minimum:

1. Supplier's name and address.
2. Michlin Metals Inc. purchase order number.
3. Date
3. Quantity.
6. Heat number and/or lot number (if applicable).
7. Signature, Title and date by an authorized representative of the issuing organization.

### **Conflict Minerals**

Supplier warrants that, to its knowledge, no tantalum, tin, tungsten and/or gold ("Conflict Minerals"), contained in any good subject to this order, originated from the Democratic Republic of the Congo or an adjoining country, unless the Conflict Minerals were processed by a facility listed as compliant pursuant to the CFSI Conflict-Free Smelter Program. Supplier agrees to abide by the terms and conditions in Purchaser's Conflict Minerals Policy, and to communicate to its sub-suppliers its own commitment to responsible sourcing and legal compliance. Supplier agrees to cooperate and work with its sub-suppliers in an attempt to ensure traceability of Conflict Minerals at least to smelter or refiner level, to maintain and record all Conflict Minerals traceability documentation for five years, and to provide such documentation to Purchaser upon request.

## **Supplier Compliance**

The Supplier agrees to comply with the following: A) Executive Order 11246 as amended and all regulations promulgated pursuant to that Executive Order including but not limited to the provisions of paragraphs (1) through (7) of the "Equal Opportunity Clause" and the "Certification of Non-segregated Facilities", each of which is incorporated herein by reference, B) Section 503 of the Rehabilitation Act of 1973 including the applicable parts of the affirmative action clause entitled "Affirmative Action for Handicapped Workers" (41 CFR 60-741.4) incorporated herein by reference, C) the Vietnam Era Veterans Readjustment Assistance Act (30 USC §2012) including the applicable parts of the affirmative action clause entitled "Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era" (41 CFR 60-250.4) incorporated herein by reference, D) Executive Order 13496 "Notification of Employee Rights Under Federal Labor Laws" (29 CFR Part 471, Appendix A to Subpart A) also incorporated herein by reference, E) Supplier agrees to comply with all applicable commercial and public anti-bribery laws, including, without limitation, the US Foreign Corrupt Practices Act and the UK Bribery Act and F) Supplier hereby represents and warrants that neither Supplier, nor any persons or entities holding any legal or beneficial interest whatsoever in Supplier, are (i) the target of any sanctions program that is established by Executive Order of the President or published by the Office of Foreign Assets Control, U.S. Department of the Treasury ("OFAC"); (ii) designated by the President or OFAC pursuant to the Trading with the Enemy Act, 50 U.S.C. App. § 5, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, the Patriot Act, Public Law 107-56, Executive Order 13224 (September 23, 2001) or any Executive Order of the President issued pursuant to such statutes; or (iii) named on the following list that is published by OFAC: "List of Specially Designated Nationals and Blocked Persons." If the foregoing representation is untrue at any time, an event of default will be deemed to have occurred without the necessity of notice to Supplier.