

# Mechanical Rubber Terms and Conditions

Notice to suppliers: Please note that according to Mechanical Rubber's policy, terms and conditions have been modified and now include Mechanical Rubber's Supplier code of conduct.

## TERMS AND CONDITIONS

### 1. Acceptance

Supplier shall acknowledge this Purchase Order within ten (10) days of receipt failing which, Supplier shall be deemed to have accepted this Purchase Order. Any qualified acceptance shall constitute a rejection on Supplier's part of this Purchase Order. It is understood that any condition of sale issued by Supplier is deemed to be null and void, and shall not be binding on Mechanical Rubber.

### 2. Delivery

Goods shall be delivered as per the delivery schedule specified in the Purchase Order. Such delivery schedule is deemed to be an essential and primary obligation of Supplier to be performed hereunder. Supplier shall deliver the goods on the scheduled delivery dates, at no additional cost to Mechanical Rubber. In addition, Mechanical Rubber may, at its discretion, accelerate or decelerate the delivery schedule at no charge to Mechanical Rubber.

### 3. Scope of Work

3.1 Supplier shall apply to Mechanical Rubber for any explanation that Supplier may require as to the meaning or intent of any clause in the Purchase Order and specifications, and shall be responsible for any errors or losses consequent upon failure to request such explanation.

3.2 Supplier shall provide qualified personnel to perform the work outlined in this Purchase Order. However, Mechanical Rubber may, at any time, require that Supplier immediately replace any employee, agent, representative, subcontractor or consultant of Supplier's, who, in Mechanical Rubber's sole opinion, does not perform or has not been conducting himself or herself in a proper manner.

### 4. Invoices

4.1 Supplier shall send its invoice to: Mechanical Rubber, 77 Forester Avenue, PO Box 593, Warwick, NY 10990. Invoices shall show a breakdown of non-recurring and recurring prices, if applicable, per item. Invoices shall also state, as applicable: the Purchase Order and line item numbers (with the invoice addressing only one (1) Purchase Order);

description of goods; drawing number; and part number of the item; unit price, total price stated in the applicable currency; packing slip number; number of packages and articles or containers shipped. If the shipment is sent by messenger, Supplier shall state and include the waybill number.

4.2 Errors on, or omissions from, invoices or lack of supporting documentation shall be cause for withholding payment, without affecting any cash discounts to which Mechanical Rubber may be entitled, until such errors, or omissions, are corrected, or documentation is provided.

4.3 Notwithstanding anything contained in this Purchase Order and without prejudice to any other remedies Mechanical Rubber may have under this Purchase Order or at law, Mechanical Rubber may withhold or set-off any payment to be made hereunder, to the extent where Supplier fails to meet any obligation to be observed or performed by Supplier pursuant to the Purchase Order.

## **5. Cash Discounts**

The period during which any applicable discount may be deducted shall commence from the date the invoice is received or the goods are delivered, whichever is the later date.

## **6. Quantity Price Advantage**

If Mechanical Rubber places additional purchase orders for the goods covered by this Purchase Order and such purchase orders could be combined for a price advantage, it is agreed that any price reduction shall be applied to such Purchase Orders.

## **7. Quality and Inspection**

7.1 Supplier shall comply with Mechanical Rubber's Quality Assurance General Requirements for Suppliers set forth on the Purchase Order, which Supplier acknowledges having received and understood.

7.2 Notwithstanding any acceptance by Mechanical Rubber at Supplier's plant, the goods are subject to final inspection and acceptance upon receipt at Mechanical Rubber. If rejected upon inspection, the goods may be held or returned to Supplier at Supplier's expense, without prejudice to any other rights to which Mechanical Rubber may have under the circumstances. Mechanical Rubber may cancel the invoice or issue a debit note, as appropriate. Final inspection and acceptance by Mechanical Rubber shall not relieve Supplier from any of its obligation under this Purchase Order, nor shall be construed to prejudice any of the rights or remedies provided to Mechanical Rubber under this Purchase Order or at law.

## **8. Failure Analysis Reports**

If requested by Mechanical Rubber, Supplier shall prepare and forward technical reports on rejected goods the same day that repair or replacement shipment is made to Mechanical Rubber. Such reports shall contain specific and contributory causes of failure, recommended corrective action, parts used in the repair and all other pertinent data contributing to improve product and product quality, maintainability and reliability.

## **9. Warranty**

9.1 Supplier, who is a professional seller of goods and services, warrants the suitability for the intended use of the goods and services (the "Goods"). In addition, Supplier warrants the Goods against defects in title, workmanship and quality (or durability as compared to similar Goods), and also against defects in materials and design to the extent that Mechanical Rubber did not supply materials and design. Mechanical Rubber may extend the warranty to its customers.

9.2 If the Goods do not meet the warranty, Supplier shall promptly and adequately make all repairs, modifications or replacements (the "Corrections") necessary to enable the Goods to comply with all aspects of the warranty. Supplier shall be responsible for all removal, transportation, insurance, shipping and installation costs.

9.3 In the event Supplier does not fully meet and perform the Corrections in order to meet Mechanical Rubber's delivery schedule, Mechanical Rubber may, at its option, make, or have a third party make, all Corrections to the Goods to enable the Goods to comply with the warranty and recover the cost of these from Supplier. The warranty shall apply to corrections made by Mechanical Rubber or third party as if these were performed by Supplier. Supplier's warranty shall not apply to any Goods thereof which have been subject to neglect or misuse. In addition to the cost of corrections herein, Supplier shall be responsible for all labor costs incurred in the removal and reinstallation of the defective Goods and for the cost of transportation and insurance of corrected Goods. The warranty shall apply to corrections made by Mechanical Rubber or third party, as if these were performed by Supplier.

9.4 The workmanship and materials not supplied by Mechanical Rubber as well as all corrections shall be warranted for the period stated in the Purchase Order, or, if not stated therein, for twelve (12) months after delivery to and acceptance of the corrections. The warranty of quality of the corrections shall be in force for the period allowed by applicable law. The warranty on design, suitability for the intended purpose and the warranty of title of the corrections shall be for an unlimited period of time.

## **10. Termination**

### **10.1 Termination for Convenience**

Mechanical Rubber may, at any time, without stating any reason therefore and by giving written notice to Supplier, terminate this Purchase Order in whole or in part. Supplier shall respect the provisions of the Notice. In the event of Notice being given:

10.1.1 Supplier shall be entitled to payment pursuant to the Purchase Order for all work completed at the time of Notice or completed pursuant to the instructions thereto;

10.1.2 Supplier shall be entitled to be reimbursed the actual costs of work in process, taking into consideration the lead time, which remains incomplete at the time of Notice;

10.1.3 It is understood that Supplier shall not be paid for rejected work, or work which does not meet the requirements of the Purchase Order; and;

10.1.4 Payment to Supplier, taken together with any payments already made or owing to Supplier under the Purchase Order, shall, in no event, exceed the total amount payable under the Purchase Order.

Under termination of this Purchase Order, Mechanical Rubber may direct Supplier to deliver to Mechanical Rubber any finished work or work in process including, without limitation, tools, software, hardware, data and technical information which Supplier has made or acquired for the fulfillment of this Purchase Order, subject to any claim or deduction that Mechanical Rubber may have against Supplier arising out of this Purchase Order or termination. Mechanical Rubber shall pay or credit Supplier the value of such finished work or tools accepted by Mechanical Rubber in accordance with the Purchase Order price and with respect to materials, hardware or work in process. Mechanical Rubber shall pay the reasonable and substantiated costs which are properly incurred by Supplier. Concerning the above software, data and technical information, Mechanical Rubber shall obtain from Supplier a worldwide, perpetual and unconditional license with a right to sublicense or transfer, to exploit for internal purposes.

### **10.2 Termination for Default, Bankruptcy and Insolvency**

10.2.1 In addition to Mechanical Rubber's right to terminate, as provided for above, Mechanical Rubber may, at all times and upon written notice to that effect to Supplier, terminate the Purchase Order, in whole or in part, if: (i) Supplier is in default of carrying out any of the terms and conditions of the Purchase Order. Supplier is deemed to be on notice to execute the Purchase Order's obligations by the mere lapse of time, and Mechanical Rubber shall have no obligation to extend a period to cure; (ii) if Supplier is insolvent, is bankrupt or proceedings have been made by, or against, Supplier pursuant to the Bankruptcy Aid or similar statute, or: (iii) if an order is made or decision taken for

the winding up or liquidation of Supplier. Supplier shall not be entitled to payment for work not completed at the time of the notice sent pursuant to the provisions of this paragraph 10.2.

10.2.2 If Mechanical Rubber terminates the Purchase Order pursuant to the provisions of this paragraph 10.2 and in addition to any other rights or remedies provided to Mechanical Rubber under this Purchase Order or at law, Mechanical Rubber may procure, upon terms and in such manner as Mechanical Rubber deems appropriate, supplies or services similar to those so terminated, and Supplier shall be liable for any excess costs for these supplies or services.

10.2.3 Supplier hereby grants to Mechanical Rubber title to that portion of technology and tooling pertaining to the Goods which does not already belong to Mechanical Rubber. In the event that Supplier does not have title to such portion of technology and tooling, Supplier shall automatically grant to Mechanical Rubber a perpetual, unconditional and royalty-free license, with a right to sub-license or transfer, to exploit, for internal purposes anywhere in the world to such portion of technology and tooling which does not already belong to Mechanical Rubber. It is agreed that Supplier shall carry out all necessary actions related to such grant of title or license as requested by Mechanical Rubber.

### 10.3 General

Supplier shall have no claim for any damages whether incidental, indirect, consequential punitive or otherwise, or for any compensation, loss of profit, allowance or otherwise, by reason directly, or indirectly, arising out of any action taken or notice given by Mechanical Rubber, under or pursuant to the provisions of this Article 10, except and to the extent so provided for.

10.4 Mechanical Rubber may cancel or terminate this Purchase Order within ten (10) days of issuance and shall incur no termination liability.

## **11. Stop, Suspension or Delay**

Mechanical Rubber may, at any time and by written order ("Stop Order") to Supplier, require Supplier to stop, suspend or delay performance of furnishing of all, or any portion of, the work called for by this Purchase Order, without compensation of any kind whatsoever, for such period as Mechanical Rubber, in its discretion, determines it would be unwise to continue such performance or furnishing for any reason, and the performance or furnishing of the work so ordered to be stopped, delayed or suspended shall only be resumed when Mechanical Rubber gives supplier written notice to such effect ("Resume Order"). Upon receipt of a Stop Order, Supplier shall promptly comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the Stop Order during the period of work stoppage. Within the period covered by the Stop Order (including any extension thereof), Mechanical Rubber shall either (i) cancel the Stop Order, (ii) issue a Resume Order or (iii) terminate the work

covered by the Stop Order in accordance with the termination for convenience provisions hereof. In the event the Stop Order is cancelled by Mechanical Rubber or the period of the Stop Order (including any extension thereof) expires, Supplier shall promptly resume work.

## **12. Laws and Language of the Purchase Order**

12.1 This Purchase Order shall be governed by and interpreted in accordance with the internal laws of the United States of America. The parties hereby irrevocably agree to submit any action, suit or proceeding arising out of, or connected with, this Purchase Order to the appropriate courts within the district of Warwick, Orange County, New York, which shall have the exclusive jurisdiction to adjudicate any such action, suit or proceeding. The parties hereto expressly exclude the application of the United Nation Convention of the Sale of Goods to this Purchase Order.

12.2 The parties hereto have agreed that this Purchase Order and any correspondence thereto shall be drafted in English only.

## **13. Intellectual Property Rights**

13.1 Supplier shall fully protect, indemnify and hold harmless Mechanical Rubber and its customers from and against any and all claims, liability, losses, costs, damages and expenses (including, without limitation, reasonable attorney fees and costs of settlement) of whatsoever cost and amount, based upon, or resulting from, infringement by Mechanical Rubber, or its customers, or by Supplier of any patent, copyright, trademark or other intellectual property right arising out of the design, manufacture, sales, installation, use, service, maintenance, operation or enjoyment of the Goods or any feature, part, accessory or equipment thereof.

13.2 In addition to and without restricting Supplier's obligation pursuant to paragraph 13.1, in the event of the infringement of an intellectual property right, or if the use, lease or sale of the Goods are enjoined, Supplier shall, at its option and expense: (i) procure for Mechanical Rubber and its customers the right under such intellectual property right to use the Goods; (ii) replace the Goods with goods of similar nature or quality; or (iii) modify the Goods to make same non-infringing.

13.3 Supplier shall not use Mechanical Rubber's trade name or logo without first obtaining Mechanical Rubber's prior written approval.

## **14. Proprietary Data**

14.1 Supplier shall sign a non-disclosure agreement with Mechanical Rubber within thirty (30) days of Mechanical Rubber's request.

14.2 Supplier shall not, during the performance of, or before or after completion of, the work outlined in this Purchase Order, divulge to anyone other than Supplier's personnel having a need to know nor, except in the execution of this Purchase Order, make any use of any information or knowledge relating to: (i) this Purchase Order; or (ii) Mechanical Rubber's business or that of its affiliates or suppliers, which shall have been obtained before, during or after the term of this Purchase Order, and which is not generally known; or (iii) any plans, drawings, specifications, technical, financial information or other information or data, patterns and tools supplied by Mechanical Rubber and any information derived therefrom and methods and processes conceived or developed or first actually reduced to practice before, during or after the term of this Purchase Order; or (iv) any copyright, trademark, patent or any other intellectual property right resulting from this Purchase Order (hereinafter collectively referred to as "Proprietary Data"). (The existence of any such copyright, trademark, patent or other intellectual property right shall be promptly and fully disclosed to Mechanical Rubber in Proprietary Data shall remain confidential and the property of Mechanical Rubber and shall be returned to Mechanical Rubber upon Mechanical Rubber's request. Supplier agrees to use at least the same degree of care in maintaining confidentiality of such information or knowledge, as it would normally use to protect its own proprietary or confidential information.

14.3 Any modification, improvement, addition or other made by Supplier to Proprietary Data, as agreed to, or requested by, Mechanical Rubber, shall be considered as Proprietary Data and title thereto shall vest in Mechanical Rubber.

14.4 Mechanical Rubber shall have title to any portion of the work prepared and developed by Supplier, either alone or jointly with Mechanical Rubber, which Mechanical Rubber has paid for under this Purchase Order.

## **15. Administration**

Mechanical Rubber shall have the right to be informed of the technical progress, to observe the work pertaining to this Purchase Order and, for that purpose, shall be entitled to send, at its expense, representatives to Supplier's or Supplier's subcontractor's plant. Furthermore, Mechanical Rubber may request that Supplier, at Supplier's expense, send representatives to Mechanical Rubber's facilities to discuss the work or review its progress. Supplier shall issue progress reports to Mechanical Rubber, upon request.

## **16. Assignment and Subcontracting**

Supplier shall not assign or subcontract this Purchase Order without Mechanical Rubber's prior written consent, other than the subcontracting necessary for obtaining raw materials, parts or processes for which Supplier is not equipped and which Supplier does not make, or which are portions of work normally subcontracted in the execution of similar contracts.

## **17. Changes**

Mechanical Rubber shall have the right to make changes to this Purchase Order with respect to, and without limitation, quantity, design, method of shipment, place of delivery and delivery schedule. Such changes will be binding only if written or advised on a Purchase Order alteration. If there are changes to the design, a reasonable adjustment shall be made, provided that the reasonable costs claimed are justified and available for verification. Supplier shall be deemed to waive its right to adjustment if it does not make a claim within thirty (30) days of receipt of Purchase Order amendment. Nothing in this Article 17 shall relieve Supplier from immediately proceeding with the performance of the Purchase Order as amended.

## **18. Safety and Indemnification**

18.1 Supplier warrants that, at all times, it shall remain in good standing with, and pay promptly when due, all amounts required by any board or authority having jurisdiction over the work or Supplier, with respect to health and safety matters, workmen's compensation and other employee related matters, and shall upon Mechanical Rubber's request, provide a certificate of good standing from such board or authority. Failure by Supplier to make its payments or to provide any certificate of good standing, or equivalent document, shall, in addition to any other rights or remedies that Mechanical Rubber may have in the circumstances, entitle Mechanical Rubber to withhold from any payment due to Supplier such amounts as Mechanical Rubber may consider necessary to protect itself from any liability real or contingent which Mechanical Rubber may have because of Supplier's default or failure to observe the provisions of this Article 18.

18.2 The employees of Mechanical Rubber and Supplier shall remain employees of their respective companies for all purposes during the carrying out of activities under the Purchase Order. Each party shall carry workmen's compensation and employer's liability insurance with respect to its respective employees only.

18.3 Each party shall be responsible to the other party and to third parties for losses or damages that it causes in connection with the performance of this Purchase Order.

## **19. Environmental Protection**

19.1 Supplier acknowledges and agrees to comply with such policy while on Mechanical Rubber premises.

19.2 Supplier shall conform to, and respect all present and future laws, statutes and regulations issued by all appropriate levels of government related to the Goods with regard to environmental protection and quality.



19.3 Supplier shall fully protect, defend and indemnify and hold harmless Mechanical Rubber and any of its customers, from and against any and all claims, liabilities, losses, costs, damages and expenses based upon, or resulting from, any infringement of this Article 19 by Supplier.

## **20. Export Regulations – Controlled Goods and Technology Export Control**

Supplier agrees to comply with any applicable export laws and regulations, including export laws and regulations in force in the United States of America. Supplier shall forthwith inform Mechanical Rubber of any changes in such laws and regulations, and shall obtain and renew any necessary governmental export permit or similar authorization. For all controlled goods and technologies covered by this Purchase Order, Supplier shall send a written notice indicating all controlled goods and technologies, as per the requirements of any governmental agency having authority. All communication inquiries or representations regarding controlled goods and technologies shall be sent by e-mail.

## **21. Shipping Instructions – Packaging and Combining Shipments**

Supplier shall properly package the Goods, in accordance with the applicable freight classification standards, for shipment to Mechanical Rubber. Unless otherwise provided for in the Purchase Order, the price of the Goods shall include all costs of packaging. Deliveries made at the same time against more than one (1) Purchase Order must be combined in one (1) shipment.

## **22. Routing**

Shipment must be made via the route and method specified in the Purchase Order. Supplier shall be liable for additional costs resulting from a routing other than specified. When Mechanical Rubber assumes the freight charge, documents shall bear the mention "Collect" and the Purchase Order number, and Supplier shall not invoice Mechanical Rubber for these charges. The value of the merchandise shall be stipulated on the document and bear the mention "Cargo Insurance not required."

## **23. Transport Documents**

To expedite customs clearance and acceptance of the goods at Mechanical Rubber, Supplier shall forward the following documents with the Goods:

23.1 One (1) copy of the packing slip inside and outside the packaging of each shipment and one (1) signed certificate of conformance inside the packaging of each shipment, which shall include the following information, as applicable: Supplier's name and address, Purchase Order number and item number, Mechanical Rubber's, Supplier's and customer's part number, quantity of item delivered, drawing and/or specification

number and issue, shelf life expiry date, serial number, lot/batch number, manufacturing date and certified Supplier program stamp and authorized signature;

23.2 One (1) copy of the bill of lading, express courier receipt or waybill with the mention of the Purchase Order and the part numbers;

23.3 One (1) copy of the commercial invoice (one (1) inside and one (1) outside the package) in addition to the one (1) copy sent to the Accounts Payable department;

23.4 Two (2) copies of the destination country's Customs invoice with the mention of the Purchase Order and the part numbers, the exact description of the Goods, harmonized system code for purposes of clearing customs, bill of lading and declared value. The actual freight charges and services related to shipment shall be listed separately and deducted from declared value, if so included. The amount of non-recurring costs corresponding to the Goods invoiced which Mechanical Rubber has paid, or will pay, in addition to the recurring costs of the Goods, as well as any tooling and/or assistance of whatever nature including, but not limited to, on-site assistance, training, packaging and return transportation, reusable containers, provided by Mechanical Rubber to Supplier, shall be included on the invoice as part of the declared value of the Goods. For repairs, Supplier shall indicate the value of the Good and the value of the repair. Goods shall not be considered received until Mechanical Rubber receives all required documents. Mechanical Rubber reserves the right to return the Goods to Supplier, at Supplier's expense, if the documents are not properly executed or if the Goods have been rejected.

## **24. Miscellaneous**

24.1 Failure by Mechanical Rubber to enforce a provision, or right, or recourse herein shall not constitute a waiver of such provision, right or recourse.

24.2 To the extent that any provision of this Purchase Order shall be determined to be invalid or unenforceable, such provision shall be deleted from the Purchase Order, and the validity and enforceability of the remaining portion of such provision and this Purchase Order shall be unaffected.

24.3 Supplier shall not publicize the existence of the Purchase Order of the provisions therein without Mechanical Rubber's prior written consent.

24.4 This Purchase Order and the terms and conditions, technical requirements documents, specifications or other documents to which specific reference is made to herein constitute the entire agreement between the parties with respect to the subject matter herein, and supersede all previous representations, negotiations, undertakings and agreements heretofore made by the parties. Amendments, if any, to the Purchase Order shall be valid only if signed by an authorized representative of Mechanical Rubber's Procurement Department.

24.5 All rights and remedies of Mechanical Rubber under the Purchase Order or at law shall be cumulative, and the exercise of one shall not be deemed a waiver of the right to exercise any other.

24.6 Mechanical Rubber has issued this Purchase Order in reliance upon Supplier's expertise, experience, proficiency and well-trained personnel, as well as in compliance with applicable laws.

## **MECHANICAL RUBBER SUPPLIER CODE OF CONDUCT**

### **About Mechanical Rubber**

Mechanical Rubber believes that a strong commitment and a strategic approach to corporate responsibility are essential for managing the challenges and opportunities of a rapidly changing global environment.

Therefore, in line with Mechanical Rubber's vision for its suppliers, Mechanical Rubber wishes to actively engage its supply chain by the adherence of all its suppliers to its Supplier Code of Conduct (herein the "Supplier Code") that has been developed with recognition of the ten principles outlined in the United Nations Global Compact.

Mechanical Rubber places substantial value upon suppliers who support and respect the internationally proclaimed human rights contained in the Universal Declaration of Human Rights, such as equality, life and security, and freedom.

### **Legal Compliance**

The provisions of this Supplier Code set forth Mechanical Rubber's expectations from all suppliers with whom it does business. Therefore, Mechanical Rubber expects the supplier and any of its subsidiaries or affiliates to comply with its principles.

Although the Supplier Code only applies to Mechanical Rubber's direct suppliers, Mechanical Rubber encourages the supplier to invite its own suppliers to comply with its terms.

The supplier and its employees are expected, as a minimum, to comply with the requirements set forth in this Supplier Code or with the provisions of the laws and regulations in each jurisdiction (s) where the supplier operates, whichever is more stringent.

### **Labor**

Mechanical Rubber expects the supplier to comply, as a minimum, with all applicable federal and state regulations related to labor and employment including, but not limited to,

minimum wage, maximum hours of work, days of rest, compensation, freedom of association, right to organize and collective bargaining.

Furthermore, Mechanical Rubber expects the supplier to comply with the following principles:

### **Child Labor**

Mechanical Rubber will not engage in nor support the use of child labor. The supplier is expected not to use child labor. By child labor, it means employees under the age of 15 years old.

However, for employment or work which by its nature or circumstances is not suitable for a person under the age of 18 years old, child labor shall mean employees under the age of 18 years old.

### **Forced or Compulsory Labor**

Mechanical Rubber will not engage in nor support the use of forced or compulsory labor. The supplier is expected not to exact any work or service from any person under the menace of any penalty. For example, the supplier's employees must be free to leave work or terminate their employment with reasonable notice, and they are not required to surrender any government issued identification, passports or work permits as a condition of employment.

### **Freedom of Association**

The supplier is expected to recognize the principle of freedom of association and the right to collective bargaining.

### **Respect and Dignity**

The supplier is expected to treat all employees fairly, ethically, respectfully and with dignity. The supplier must protect its employees from harassment, bullying and victimization in the workplace, including all forms of sexual, physical and psychological abuse.

### **Discrimination**

Mechanical Rubber supports diversity and employment equity. The supplier is expected to offer equal employment opportunities and compensation without any discrimination, unless such discrimination is based on the inherent requirements of the job or in the course of a program to promote diversity.

## **Health and Safety**

Mechanical Rubber provides a safe workplace to its employees. Mechanical Rubber expects that the occupational health and safety of employees is a priority for the supplier throughout all significant aspects of its activities. As a minimum, the supplier must comply with all applicable health and safety laws, regulations and standards. The supplier shall take appropriate action, such as policies, standards, procedures, contingency measures and management systems, in order to prevent occupational illnesses and work-related accidents and to provide a safe and healthy workplace to its employees.

Mechanical Rubber encourages the supplier to:

- ◆ Communicate to its management, employees and contractors its commitment to improving health and safety, and to provide training on such commitment;
- ◆ Apply for and maintain OSHA or equivalent certification; and
- ◆ Systematically evaluate its health and safety performance through appropriate audits and report progress.

## **Environment**

Mechanical Rubber conducts its operations in a sustainable way and in compliance with the environmental laws and regulations. Mechanical Rubber expects that environmental protection is a priority for the supplier in all significant aspects of its activities. As a minimum, the supplier must comply with all applicable environmental laws, regulations and standards. The supplier shall strive to reduce the impacts of its activities and products on the environment and work towards a “total life-cycle” view in product design, while maintaining its competitiveness.

The supplier shall:

- ◆ Adopt any appropriate policy, standard, procedure, contingency measure and management system in order to ensure that its operations are managed ecologically and in a sustainable way; and
- ◆ Take necessary measures in order to prevent pollution, to conserve and use rationally the natural resources required for its operations and implement relevant emergency response plans and procedures;

Mechanical Rubber encourages the supplier to:

- ◆ Communicate to its management, employees and contractors its commitment to improving environment, and to provide training on such commitment;

- ◆ Systematically evaluate its environment performance through appropriate audits and report progress.

### **Anti-corruption**

Mechanical Rubber promotes integrity and ethics in all aspects of its activities. Mechanical Rubber expects the supplier to comply with all applicable laws and regulations on corruption, bribery, prohibited business practices and extortion. Furthermore, the supplier must never make or approve an illegal payment to anyone under any circumstances.

### **Conflict of Interest / Ethics**

The supplier must disclose any actual or potential conflict of interest, and discuss it with Mechanical Rubber's management. Any activity that is approved, despite the actual or apparent conflict, must be documented.

### **Governance**

Mechanical Rubber may verify the compliance of all its direct suppliers with the Supplier Code. Such verification will be conducted by way of a supplier's self-evaluation or an audit by Mechanical Rubber (or an external resource designated by Mechanical Rubber) who may visit the supplier's facilities with appropriate notice.

Compliance with the principles contained in the Supplier Code is a criteria that is taken into consideration in Mechanical Rubber's supplier selection process.

Whenever a situation of non-compliance is identified, Mechanical Rubber may work with the supplier to develop and implement a corrective plan to improve the situation. Mechanical Rubber will continue to develop monitoring systems to assess and ensure compliance with the Supplier Code.

Mechanical Rubber encourages the supplier to:

- ◆ Implement policies, procedures, tools and indicators necessary to ensure compliance with the principles listed above:
- ◆ Commit to the principles of the United Nations Global Compact; and
- ◆ Participate in a Corporate Social Responsibility ("CSR") network (e.g. United Nations)

### **Responsibility of the Supplier**

As a supplier of Mechanical Rubber, the supplier's role begins, but does not end, with understanding this Supplier Code. If any ethical or legal compliance issues arise that raise any questions, the supplier has the responsibility to bring them forward.

To raise a concern, the supplier can call the Mechanical Rubber Quality Assurance Department at 1-845-986-2271 or email [admin@mechanicalrubber.com](mailto:admin@mechanicalrubber.com). Their function is to ensure that all raised compliance issues through any channels offered to the supplier in this Supplier Code are resolved quickly, fairly, and at the proper level in the organization.