

Section 4

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T e c h n o l o g y /
P a r t n e r s h i p

Section 4 List

- 4.1 Risk Management
- 4.2 Program Management
 - Minority Sourcing
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4.1.5 Risk Management—General Requirement

The supplier must have a process for the identification and management of potential risks to ensure proper supply of parts and materials to the customer.

4.1.5.1 Risk Assessment

The supplier's process shall include a periodic assessment and review of all possible risks. The process shall analyze risks associated with both facilities and personnel, considering issues such as:

- Product, facility or individual skill uniqueness.
- Critical process element susceptibility to disruptive damage.
- Susceptibility to natural phenomena (i.e. flood and earthquake).
- Second tier supplier related issues.

The output of this assessment shall be used to identify where action is required, if economically feasible, to remove or reduce the likelihood of these problems occurring. The assessment shall also include an estimation of potential downtime in a major catastrophe.

4.1.6 Continuous Improvement—General Requirement

The supplier shall demonstrate the effective deployment of a comprehensive continuous improvement plan across the whole organization.

The objective of continuous improvement is to deliver real improvements in customer satisfaction and business performance, thus maintaining and strengthening the organization's competitive advantage, and that of the whole supply chain.

4.1.6.1 Scope

The supplier shall ensure that continuous improvement activities are focused on those businesses and manufacturing processes that have the greatest influence on:

- Key customer performance measures (i.e., quality, cost, delivery, Service Support).
- Key strategic quality measures (i.e., customer satisfaction).
- Other key strategic business performance measures (i.e., economic value added—EVA or Value analysis).
- Individual process performance measures (i.e., process stability and capability).
- Second tier supplier performance measures (i.e., cost reduction percentage per annum).

4.2 Program Management

4.2.1 Program Manager

Coupled Products LLC may require a key contact person or a program manager to each project. This person shall have defined authority and responsibility for the delivery of all aspects of the program and conveys completion dates to customer.

4.3 Minority Sourcing

To better represent and service the customer, Coupled Products is actively pursuing sourcing the of material purchases from minority owned Tier-two suppliers in the U.S. We are requiring our Tier-One suppliers to participate by developing minority owned suppliers as part of the ongoing process of continuous improvement of the supply chain. As such, this will be one of the components considered when awarding or moving existing business. A minority supplier will be requested to submit their minority certificate to Coupled Products Commodity management contact.

4.4: Unionized Facilities .

To better represent and service customers and manage supply chain, Coupled Products requires suppliers to share union affiliations and contract expiration date. Suppliers will

have to manage their supply base with same information to alleviate material shortage concerns. Coupled Products must be notified 60 days prior to their or Tier 2 union contract expiry.