

# Supplier Relationships

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## Authorizations

General Manager:	<u>Chris Eurich</u>	Date: <u>09/29/2015</u>
Compliance Leader:	<u>Kelly Thien</u>	Date: <u>09/29/2015</u>
Process Owner (Materials):	<u>Kevin Dean</u>	Date: <u>09/29/2015</u>

## **1. Purpose**

This document describes Supplier Relationships at Montana Precision Products. MPP bases its relationships with suppliers on lawful, efficient and fair practices. In turn, we expect our suppliers to adhere to applicable legal requirements in their business relationships, including their obligations to treat their workers fairly, to provide a safe and healthy working environment, and to protect and preserve environmental quality. This document describes the specific guidelines employees are expected to follow to ensure that our supplier relationships won't damage the reputation of Montana Precision Products.

## **2. Scope**

This policy applies to all Montana Precision Products employees and all representatives of the Company. The policy applies to all individuals who deal or may deal with supplier relationships as defined by this procedure. All third parties, including but not limited to consultants, agents, intermediaries, suppliers, customers and distributors, must be informed of and comply with the requirements of this policy as flowed in Montana Precision Products' terms and conditions.

## **3. Definitions**

N/A

## **4. References**

35101B Proprietary Information

35102B Improper Payments

## **5. Responsibilities**

5.1 The Compliance Council will:

5.1.1 Approve this compliance procedure and associated revisions and ensure that the policy is being followed.

5.2 Leaders will:

5.2.1 Take responsibility for supplier relationships in their functional areas

5.2.2 Provide job-specific training for their staff as required, including clear guidance on acceptable and unacceptable practices in accepting gifts and gratuities from suppliers.

5.2.3 Where practical, provide competitive opportunities to all suppliers – large and small; local, national and international; internal and external.

5.2.4 Ensure that relationships with suppliers support MPP's compliance and integrity obligations.

### 5.3 All Employees will:

- 5.3.1 Report any actual or suspected violations of law, regulation, or policy without fear of retaliation.
- 5.3.2 Follow this procedure. Employees who violate this procedure are subject to disciplinary action up to and including termination of employment. Violation of this policy may also mean breaking the law, subjecting the employee or the Company to administrative punishment (fines), criminal penalties (fines or jail sentences), or civil sanctions.

## 6. Process Procedure

6.1 Comply with applicable laws and government regulations covering supplier relationships.

6.2 Do business only with suppliers who comply with local and other applicable legal requirements as well as any additional MPP expectations that may apply. Unacceptable practices include:

- 6.2.1 Employing workers younger than the required minimum age
- 6.2.2 Using forced, prison or indentured labor, or workers subject to any form of compulsion or coercion
- 6.2.3 Failure to observe applicable environmental laws and regulations
- 6.2.4 Failure to observe applicable laws and regulations governing wage and hour, days of service and overtime payment
- 6.2.5 Failure to provide workers a workplace that meets applicable health and safety standards
- 6.2.6 Failure to maintain and enforce policies requiring adherence to lawful business practices, including a prohibition against bribery of government officials
- 6.2.7 Failure to allow workers to freely choose whether or not to organize or join associations for the purpose of collective bargaining as provided by local law
- 6.2.8 Failure to prohibit physical, sexual or psychological harassment or coercion
- 6.2.9 Failure to assure that workers are hired, paid and otherwise subject to terms and conditions of employment based on their ability to do the job, not on the basis of their personal characteristics such as race, national origin, sex, religion, ethnicity, disability, maternity, age, and other characteristics protected by local law (this does not bar compliance with affirmative preferences that may be required by local law)
- 6.2.10 Failure to maintain security measures consistent with international standards for the protection of their operations and facilities against exploitation by criminal or terrorist individuals and organizations
- 6.2.11 Failure to require their suppliers to conform to similar standards
- 6.2.12 Failure to respect the intellectual property rights of others
- 6.2.13 Use of sub-suppliers to evade legal requirements

- 6.3 Provide a competitive opportunity for suppliers to earn a share of MPP’s purchasing volume, including small businesses and businesses owned by the disadvantaged, minorities, women and disabled veterans.
- 6.4 Follow government acquisition regulations when purchasing materials and services for use in fulfilling government contracts.
- 6.5 Evaluate all supplier offerings on the basis of technical leadership, quality, reliability, price and service. Respect licensing agreements and copyright laws, including those covering computer software.
- 6.6 Maintain open, honest dialogue with suppliers, consistent with good business practices.
- 6.7 Follow MPP’s guidelines concerning the acceptance of gifts, 35102B Improper Payments.
- 6.8 Safeguard MPP’s proprietary information, and safeguard any supplier-provided information in accordance with 35101B Proprietary Information and protected under the terms of a 45101B MPP NonDisclosure Agreement (NDA) entered into with MPP.
- 6.9 What to watch out for:
  - 6.9.1 Selection of suppliers on any basis other than open, competitive bidding.
  - 6.9.2 Potential conflicts of interest in supplier selection, including the acceptance of gifts or other items of value except in strict compliance with business guidelines.
  - 6.9.3 Directing business to a supplier owned or managed by a relative or close friend.
  - 6.9.4 Unsafe conditions in supplier facilities, or workers who appear to be underage or subject to coercion.
  - 6.9.5 Apparent disregard of environmental or labor standards in supplier facilities.
  - 6.9.6 Entrusting personal data or confidential information to suppliers without ensuring that they have appropriate technical, physical, and organizational measures to prevent unauthorized access.

**7. Records**

45101B MPP NonDisclosure Agreement (NDA)

**8. Revision History**

Rev.	Date	Description
A	9/29/2015	Initial Release

**9 Appendix - Additional Approvals**

Additional Members of the Compliance Council:

<b>Function</b>	<b>Name</b>	<b>Date</b>
Controller	David Smith	09/29/2015
Human Resources	Jeanne Kruse	09/29/2015
EHS	Jerad Grove	09/29/2015
Operations	David Robins	09/29/2015
Ombuds	Kay Hutchings-Cook	09/29/2015

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