

This is to serve as notice that American Mitsuba Corporation supports and will participate in the U.S. Customs Service's Customs – Trade Partnership Against Terrorism, commonly referred to as “C-TPAT.” The C-TPAT program is a joint effort between U.S. Customs and the trade community to reduce the threat of terrorism by means of protecting the integrity of cargo imported into, further processed or warehoused in, and/or exported from the United States. This necessarily requires the securitization of the entire supply chain beginning with the offshore production of materials, goods, and component goods and continuing on to the warehousing and transport of such goods and materials until their entry into the United States and distribution into U.S. commerce or abroad. Shipments of importers participating in C-TPAT will receive expedited entry into the United States and fewer examinations. Alternatively, where an importer cannot demonstrate the security of its supply chain, delays and increased inspections of incoming cargo will result at the U.S. borders.

As a strong advocate of C-TPAT, AMC's goals are to enhance and maintain effective security processes throughout the global supply chain, and to ensure the timely delivery of all incoming cargo. As valued suppliers to AMC, your support of C-TPAT is critical to the realization of our objectives and to the cooperative endeavor between U.S. importers and U.S. Customs. AMC requests each of its domestic service providers (including, but not limited to, carriers, freight forwarders and brokers) to join C-TPAT. In addition, U.S. customs expects foreign suppliers of imported goods to scrutinize or, where necessary, develop sufficient security measures within their own supply chain. Accordingly, we expect each of our suppliers to notify their plants, offices, and subsidiaries of the C-TPAT program and of AMC's participation in it.

In securing their respective supply chains, AMC advises that each of its service providers and suppliers apply the Minimum Security Criteria as posted on the U.S. Customs C-TPAT web site:

<https://www.cbp.gov/border-security/ports-entry/cargo-security/c-tpat-customs-trade-partnership-against-terrorism>. Common areas for which U.S. Customs provides security recommendations are:

- (1) **Procedural Security:** procedures for the movement of goods to protect against shipments being tampered with or un-manifested material being introduced into the supply chain. Supply chains need to be documented as to flow of the freight and contacts from each section upon request. This must include transportation from plant to the port.
- (2) **Physical Security:** construction and material make up of buildings, entrance security, lighting, etc. for purposes of preventing unlawful entry onto premises;
- (3) **Access Controls:** procedures to prevent unauthorized access to facilities and conveyances which will include displaying Associate badges in the work areas. Computer guidelines must be in place to insure their security from non approved Associates which must include password protection.
- (4) **Personnel Security:** employment screening and background checks where allowed by law and disciplinary measures for personnel that breach security. There must also be an exit check sheet for Associates leaving the company to insure badges, keys, computer access are deleted to avoid access.
- (5) **Education and Training Awareness:** an incentive program to train employees regarding security awareness, the maintenance of cargo integrity and reporting procedures;

(6) **Manifest Procedures:** procedures to ensure that manifests are in order and submitted to Customs in a timely manner which will be required to supply the Importer Security Filing (ISF) or 10 + 2 data prior to shipment from a foreign source. This must be submitted to U.S. Customs 24hrs prior to loading at the foreign port.

(7) **Conveyance Security: High security seals must be used for freight crossing an inland border or across the ocean** to keep the conveyance integrity to protect against unauthorized personnel, un-manifested materials, or tampering.

More information can be obtained by logging on to the above referenced web site. Again, AMC urges your implementation of these recommendations and your distribution of this notice to each goods or services provider in your respective supply chains. This notice will provide annual documented proof that AMC has supplied the C-TPAT guidelines to our Vendors, Suppliers and other Companies in our Supply Chain. **[Please note where breaches in security occur in the supply chains of AMC, the party responsible for the breach will be held accountable.]** Companies not following the C-TPAT security guidelines may become ineligible to supply parts to AMC.

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