

Quatro Composites, REACH/RoHS Compliance

To Valued Suppliers:

Quatro Composites is requesting your immediate assistance in establishing baseline chemical composition data for the items we currently purchase from you.

Regulations in the European Union (EU) and Canada now require Quatro Composites to notify and provide instructions for safe use if any portion of our product or packaging contains substances of very high concern (SVHC) or heavy metals above threshold limits ranging from 0.01% to 0.10%. These requirements are administered under REACH (Regulation on Registration, Evaluation, Authorization, and Restriction of Chemicals, and RoHS (Restriction of Hazardous Substances for components in electrical devices) in the EU as well as by Health Canada and the state of California under Proposition 65.

REACH Website: http://echa.europa.eu/chem_data/authorisation_process/candidate_list_table_en.asp)

RoHS Website: <http://www.rohs.eu/english/index.html>

Background

Since entering into enforcement in October 2008, the REACH list of SVHC's has grown from 14 to 38 different compounds with literally hundreds of additional candidates being considered. Industry experts expect the SVHC list to grow to 106 compounds by 2012 and as many as 400 by 2014 in the EU alone. When SVHC's are added to the list, the regulatory authorities and our OEM customers expect immediate compliance by Quatro. There have been 3 separate updates to the list in 2010 alone.

Continued compliance to these very dynamic types of regulations is best achieved if we establish and control the chemical composition of our purchased components and then frequently compare this information to the lists of SVHC's as they become available or updated. The alternative is to request that suppliers repeatedly certify that their components do not contain SVHC's on lists that are continually changing. In our opinion, this is not practical due to the dynamic nature of the lists worldwide and additional regulations that are anticipated to come on line in other regions of the world over time.

Action Plan

Attached is a current list of items Quatro currently purchases from you. We need you to identify all compounds present in each item and their unique CAS numbers (Chemical Abstracts Service). These unique CAS numbers will be used as the basis of comparison to the current SVHC lists. This will allow us to determine if any SVHC's are present in the items we purchase from you so we can notify our customers if required.

For compounds for which you have not already obtained the CAS numbers from your suppliers, MSDS, etc., you can set up an on-line account at <http://stneasy.cas.org/easy5/index.html> to gain access to the full CAS database of over 52 million compounds. This will allow you to browse by chemical/trade name

(free) and then perform the actual search on a pay-as-you-go basis to obtain the chemical structure and CAS number. You can set up your account to be billed monthly via credit card or purchase order/invoice. There is no unlimited access option available.

There are also a number of websites shown below that provide very good CAS number search capabilities free of charge although the number of compounds will most likely be less than that available directly from the CAS website. Some good examples are:

<http://www.lookchem.com/>
www.chemnet.com/
www.chemexper.com/
www.buyersguidechem.de/Asimil.php

Quatro Composites appreciates the confidential nature of this information. As a result, we do not need the exact % concentration of any compounds present in the items you provide unless it is identified as an SVHC. We will contact you in those events to determine if the threshold limits are being exceeded.

We will be in contact with you to work through any concerns or questions you have with this requirement. We appreciate your support and sense of urgency to complete this exercise in a timely manner so we can populate our database and programs with this information and begin making any necessary updates to our instructions and labeling.

Sincerely,

Quatro Composites

Phone: 712/707-9200

Fax: 712.707.9202

www.QUATROCOMPOSITES.com