



Supplier:

As a valued part of the LMI Aerospace team, we wanted to share with you an initiative we are undertaking to help drive us to a higher level of performance and create greater value for our customers.

At LMI, our mission is to provide the best solutions to our customers with a focus on operational excellence in the production of complex components and assemblies. We strive to provide our customers with products and services that are 100 percent compliant the first time, every time.

To help achieve this mission, we are pushing to increase the quality of products we receive from our supply base. As an LMI supplier, we need your help to eliminate defects on components we source from you. We ask that you increase your quality focus, and if you are not already doing so, to implement plans to eliminate quality issues and product non-conformances and the resulting failure to meet schedule commitments. A list of key areas of quality focus is provided along with this letter.

Accordingly, effective May 1, 2016, LMI Aerospace intends to no longer accept defective product from our supply base. We recognize there may be circumstances where we must evaluate non-conformances for use by LMI or our customer due to production and delivery requirements. In these instances, LMI will require the supplier to share in the financial responsibility of accepting a non-conforming product.

We appreciate your understanding in this matter and look forward to the improvements LMI Aerospace and its supplier will bring to our customers and the growth opportunities that improved performance can bring.

If you have any questions, please contact your procurement agent.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian McCarthy".

Brian McCarthy
Executive Director, Material

A handwritten signature in black ink, appearing to read "Tom Dorff".

Tom Dorff
Exec Director, Quality & Support



Key Areas of Focus-Escapement and NOE Prevention

1. Ensure your FAI process (full and partial) is performing in accordance with the AS9102 Standard
2. Review your requirements flow down process, both internal and external
3. Review your process for specification change management and control
4. Work with your Sub-Tiers on their FAI process and inspection activities
5. Look for opportunities to "mistake-proof" your operations wherever possible
6. Establish training systems to ensure new employees and/or those moved into new locations have the proper skills to perform the job. Avoid putting Customer product at risk.