

REACH Compliance

This page is provided as the official Policy Statement for ACFR Ind., a New York corporation doing business as Bay Fastening Systems (hereinafter referred to as "Bay"), in regards to the European Union's issuance of directives EC 1907/2006 that deal with chemicals and their safe use.

This directive deals with the Registration, Evaluation, Authorisation, and Restriction of Chemical Substances within the European Union (hereinafter referred to as REACH).

Bay has researched and studied the regulations carefully, and can therefore offer the statements and claims contained within this document.

1. Definitions of REACH

As defined by the European Commission:

"REACH is the European Community Regulation on chemicals and their safe use (EC 1907/2006). It deals with the Registration, Evaluation, Authorisation and Restriction of Chemical substances. The law entered into force on June 2007.

The aim of REACH is to improve the protection of human health and the environment through the better and earlier identification of the intrinsic properties of chemical substances. At the same time, REACH aims to enhance innovation and competitiveness of the EU chemicals industry. The benefits of the REACH system will come gradually, as more and more substances are phased into REACH.

The REACH Regulation places greater responsibility on industry to manage the risks from chemicals and to provide safety information on the substances. Manufacturers and importers are required to gather information on the properties of their chemical substances, which will allow their safe handling, and to register the information in a central database run by the European Chemicals Agency (ECHA) in Helsinki. The Agency acts as the central point in the REACH system: it manages the databases necessary to operate the system, coordinates the in-depth evaluation of suspicious chemicals and is building up a public database in which consumers and professionals can find hazard information.

The Regulation also calls for the progressive substitution of the most dangerous chemicals when suitable alternatives have been identified. For more information visit http://ec.europa.eu/environment/chemicals/reach/pdf/2007_02_reach_in_brief.pdf to read *REACH in Brief*.

One of the main reasons for developing and adopting the REACH Regulation was that a large number of substances have been manufactured and placed on the market in Europe for many years, sometimes in very high amounts, and yet there is insufficient information on the hazards that they pose to human health and the environment. There is a need to fill these information gaps to ensure that industry is able to assess hazards and risks of the substances, and to identify and implement the risk management measures to protect humans and the environment."

2. Definitions of IMDS

IMDS is the International Material Data System, a global data repository for product content used by the automotive industry and used to gather information for use in reporting requirements for directives such as REACH. It is the global standard for the industry and has been in place since the 1990's with over 90,000 participating companies and suppliers. Because it is a computer-based system, IMDS recognizes hazardous substances

by comparing the entered data with the lists of prohibited substances. Hence OEMs can trace hazardous substances back to the part and work on eliminating them through the supply chain. All substances have to be stated in the material data sheet (MDS) of the IMDS with a resolution of 1gram or better - not just the declarable and prohibited substances (Cr VI, Hg, etc.). That is why substances and materials of products must be known in detail.

The basic premise of the system is that the flow of data through IMDS companies mimics the flow of the product through companies in the physical world with each link in the supply chain supplying data in IMDS to their customer as they deliver product to their customer.

3. Limited Warranty

Products purchased from Bay by Buyer may be manufactured by third parties, which may or may not provide a warranty to the purchasers of their products or compliance with the REACH directives. Bay agrees, upon request from the Buyer, to assign Buyer any and all such warranties without recourse. Bay warrants that all products shipped against an approved purchase order will conform to specifications and drawings submitted and that such products will be manufactured and inspected according to generally accepted applicable practices of companies manufacturing industrial fasteners.

Where possible, and when requested by the Buyer, Bay will use the IMDS database and other approved sources to confirm and disclose the chemical content of all requested parts. However, it is hereby declared that Bay does not perform any chemical testing of their own on any raw material or finished good that is processed through our facilities. In order to meet customer demands and maintain a high level of customer service we rely on the information provided to us by our suppliers and external vendors with whom we do business on a regular basis. All information that we provide to our customers in compliance with REACH initiatives is determined by the availability of such information as provided to us from our suppliers or that which is available using the IMDS database for standard parts. At no point is Bay liable for any errors, omissions, or changes in said information beyond what we provide when the purchase order has been issued.

Bay makes no claims to suggest in any way that products produced within our facility are absolutely free of slight deviations as they may contain trace elements of foreign matter. Furthermore, Bay can not be responsible for slight differences and variations between lots of parts. When provided, the chemical analysis of any given part should be considered a typical analysis of that part, and not necessarily an exact analysis of the part that is shipped. This information is provided based on typical analysis for the materials used in the manufacture of the product. Slight deviations may exist from lot to lot as acceptable production standards that exist during the manufacturing process. Trace amounts of unknown chemicals can be introduced during refinement, delivery, processing, manufacturing in trace amounts such as household chemicals, pesticides used to fumigate pallets against contraband organisms, and other chemicals introduced by shippers from our dock to the customer.

Bay is not responsible for any chemicals that may come

into contact with our raw materials or finished goods at any point that said materials or finished goods are not located within our facility. This includes, but is not limited to, transportation of raw materials or components from our supplier to our facility, transportation of goods or materials from our facility to a third party facility for additional processing, or the shipment of our finished products from our facility to the final destination of the goods as determined by the Buyer.

Examples of such chemicals include, but are not limited to food ingredients, cleaning supplies, organic material, trace elements contained in rainwater and run off should the parts be exposed to unforeseen atmospheric conditions when trucks are being loaded and unloaded, or certain elements like radioactive isotopes should there be thermo-nuclear war or terrorism incidents during the transportation process.

The only means to be absolutely assured of the specific and precise chemical contents of a particular shipment is to test all components of a finished good prior to commencing the manufacture of each part, then manufacture the parts in a clean room, and ship them in airtight, sealed vessels to the point of use. Bay parts are manufactured by various suppliers in facilities that are not by any standards considered to be clean rooms, a sterile environment, air or temperature controlled, and makes no claims or guarantees that foreign substances or chemicals can not be introduced to the part. This is deemed to be commercially impractical and thus a typical analysis is tendered to comply with the spirit and intent of the REACH regulation.

4. Exclusions

This warranty is limited to replacement of the parts sold. No other costs may apply. Bay makes no warranty as to fitness or merchantability of its parts for a purpose or particular use. Bay's liability with respect to products sold shall be limited to the warranty provided herein, and with respect to other performance of this contract, shall be limited to the contract price allowable to the product (or part thereof) that gives rise to the claim.

BAY SHALL NOT BE SUBJECT TO ANY DISCLAIMERS; ANY OTHER OBLIGATIONS OR LIABILITIES ARISING OUT OF BREACH OF CONTRACT; ANY OBLIGATIONS WHATSOEVER ARISING FROM TORT CLAIMS (INCLUDING NEGLIGENCE AND STRICT LIABILITY) OR ARISING UNDER OTHER THEORIES OF LAW WITH RESPECT TO PRODUCTS SOLD OR SERVICES RENDERED BY SELLER, OR ANY UNDERTAKINGS, ACTS OF OMISSIONS RELATED THERETO; ALL CONSEQUENTIAL, INCIDENTAL, AND CONTINGENT DAMAGES WHATSOEVER.

Without limiting the generality of the foregoing, Bay specifically disclaims any liability for penalties (including administrative penalties), special or punitive damages, damages for profits or revenues, cost of any product recall, loss of use of products or any associated equipment or device, cost of capital, facilities or services, downtime, shutdown costs, or any other types of economic loss.

