

**Mine Safety Appliances Company
MSA North America**

Supplier Guide



World Class Suppliers

World Class Company

Competitive Advantage



visit MSANorthAmerica.com



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MSA . . . The Safety Company

MSA Supplier Guide

The MSA Supplier Guide is intended as a resource for suppliers who supply or are seeking to supply goods to MSA North America. This Guide is not intended as an exhaustive list of all requirements and is subject to change at any time without notice. All MSA standard terms and conditions of purchase shall apply to all materials purchased by MSA.



MSA North America Vision Statement

MSA's **vision** is to be the leading innovator and provider of quality safety products, instruments and services that protect and improve health and safety.



MSA North America Mission Statement

The **mission** of MSA North America is to provide high-quality safety products, instruments and services that protect people's health and safety and fulfills their trust in us.

That men and women may work in safety and that they, their families and their communities may live in health throughout the world.

MSA Core Practices

DRIVE
for *EXCELLENCE*

D **R** **I** **V** **E**

Delivery of what customers value through process excellence and continuous improvement.

Recruitment and Retention of associates who are caring, capable and committed to our values, our mission and our communities.

Innovation in products and services that provide high value, high quality and a high level of excitement for our end users and distribution business partners.

Value creation for our shareholders with increasing returns on their investments and the assets we employ.

Exceeding our customer's expectation by understanding their unmet needs and delivering exciting solutions and services to them.

values

We display integrity in all we do.	We have a passion for speed.	We think globally and expansively.
We believe in teamwork .	We are committed to our people and our communities.	We are self-confident .
We embrace customer-driven quality .	We expect performance and manage by fact.	We embrace change and encourage innovation .
		We have fun .

5555-224-MC
June 2004



Our Values

We have established our values and apply them, unfailingly to all areas of our business. Ten in number, they include:

- Displaying integrity in all we do
- Believing in teamwork
- Embracing customer driven quality
- Having a passion for speed
- Commitment to our people and communities
- Expectation of performance and manage by fact
- Thinking globally and expansively
- Being self-confident
- Embracing change and encouraging innovation
- Having fun

These values have been communicated to all employees and are reinforced during communication meetings and internal audits. Training in divisional policy is part of every new associate's orientation.



MSA North America Quality Policy

Quality Policy

To fulfill our mission of making high quality products that protect people's health and safety and fulfills their trust in us, we continually meet the requirements of our customers, as well as, those of statutory and regulatory agencies. We conduct periodic management reviews and use the results of these reviews to continually improve the effectiveness of our quality management system.

Drive for Excellence Program

- ▲ We align our actions through our **Drive for Excellence** program, which provides the guideposts for action and decision making at every level of MSA North America.
- ▲ **Drive for Excellence** encompasses our strategies for success and guides our organization toward achieving our vision of becoming the recognized leading innovator and provider of quality safety products. Reviewed and revised annually, our strategies are grouped into five major areas:
 - **Delivery** of what customer's value through process excellence and continuous improvement.
 - **Recruitment** and retention of associates who are caring, capable and committed to our values, our mission and our communities.
 - **Innovation** in products and services that provide high value, high quality, and a high level of excitement for our end users and distribution business partners.
 - **Value** creation of our shareholders with increasing returns on their investments and the assets we employ.
 - **Exceeding** our customer's expectations by understanding their needs and providing exciting solution.

Performance to these strategies is reviewed monthly and is a key component of our management review.



Preferred Supplier Performance

MSA evaluates suppliers based on performance in Quality, Delivery, and Cost of Quality.

Quality: The scope of the Quality evaluation includes all supplier caused rejects; incoming inspection, production floor and customer returns. The goal is zero defects with every shipment made to MSA.

Delivery: The evaluation of “parts on time” is a measure of the supplier’s ability to meet our delivery schedules. In order to be considered on-time, a shipment must be received at MSA one (1) day prior to or one (1) day after the purchase order scheduled delivery date. The goal is 100% on-time delivery with every shipment made to MSA.

Dock-To-Stock: A key element in the efficiency of our business is the ability to accept inbound materials with a minimum amount of inspection. The preferred method is the dock-to-stock model highlighted in the paragraph below which allows delivered material to go directly into our stock without inspection. Entry into this process is strictly performance based and is initiated by the MSA Quality Assurance Department.

Dock-To-Stock Process: Items classified as Critical, Major A or Major B requires the receipt of 10 consecutive lots, inspected and accepted, without non-conformance, by MSA receiving inspection, within a period of 2 years, to be considered for dock-to-stock status. Items classified as Minor requires the receipt of 5 consecutive lots, inspected and accepted, without non-conformance, by MSA receiving inspection, within a period of 2 years, to be considered for dock-to-stock status.



Expectations For an MSA Supplier

MSA is committed to excellence and a desire to exceed our customer's expectations while increasing our shareholder value. The Supply Chain of MSA is a key in providing value and must be **Smart, Fast, and Lean**. With this commitment comes an expectation that our suppliers are also committed to exceeding expectations. This commitment is driven by focusing on **Quality, Cost, Delivery, Productivity, and Efficiency**.



Expectations For an MSA Supplier

- ◆ High quality, defect-free products every time
- ◆ Purchased materials at the lowest total cost to MSA
- ◆ Participation in our new product development process in order to achieve
 - rapid concept to release cycles
 - designs optimized for quality, cost, and manufacturability
- ◆ Continuous pursuit of advancements in technology to support our design process
- ◆ Operating in a demand-based manufacturing environment to assure responsiveness to and alignment with our manufacturing operations
- ◆ Generate continuous improvements in the areas of quality, cost, delivery and inventory management
- ◆ Minimization of hazardous/toxic chemicals, hazardous materials shipping, and solid/hazardous waste through attention to chemical content, packaging methods, product shelf life and other factors must be considered. This will minimize the likelihood that MSA and its customers must (1) dispose of raw materials or MSA product as a hazardous waste or unusable item and (2) ship raw materials or products as U.S. DOT hazardous materials.



Delivery Expectations

In response to our customer's needs, it is critical to deliver products with the shortest lead time possible. We expect suppliers to be flexible and respond quickly to change. Suppliers should be synchronized and easily adaptable with our assembly lines. Reliability and on-time delivery are key aspects of a lean supply chain. This is now becoming the norm and not the exception to compete in today's global markets.

MSA spends millions of dollars each year on inbound and outbound freight. This large volume of business allows MSA to enter into relationships with regional and national carriers to ensure high quality performance at competitive pricing. Rather than selecting exclusively on the basis of low cost, MSA's strategy is to work with carriers for consistent, long term performance that will meet all our business needs.

Our standard arrangement for inbound freight is that we will specify to the supplier which carriers to use when shipping to MSA facilities. The freight payment terms should always be collect. "Pre-paid and bill" arrangements will not be accepted.



Cost Expectations

With the value of purchased materials representing greater than 50% of our product cost, it is essential that we have an in-depth knowledge of the cost drivers of the materials we purchase. This allows us to:

- optimize our designs as they relate to cost
- identify opportunities for cost improvement and for supplier development
- assure that we are working with suppliers who offer us the lowest total cost solution
- better understand what purchased materials should cost



MSA's Specifications

Deviations/Changes

Suppliers shall make no changes to the product, process, or service supplied without written approval and updated documentation from MSA. The supplier shall furnish to MSA all necessary documentation to evaluate before implementing any suggested change. The appropriate individuals at MSA will evaluate and formally notify the supplier of either acceptance or rejection of the request. All requests for specification changes should be directed in writing to the appropriate MSA buyer.



Supplier Development

As MSA continues on its Lean organizational initiatives, we believe that as an extension of MSA, our supply base must also implement Lean philosophies.

Lean Philosophy Involves Focus On:

- Customer First Approach
- Six Sigma Process
- Elimination of Waste
- Employee Involvement
- Problem Resolution and Results
- Competitive Advantage
 - ▶ Reduced Costs
 - ▶ Reduction in Product Cycle Time
 - ▶ Improved Quality
 - ▶ Increased Responsiveness
 - ▶ Improved Speed
- Long Term Growth and Relationships
- Continuous Improvement

Supplier Kanban

Kanban Objectives

- Build according to actual demand
- Speed to market
- Material velocity
- Reduce obsolete materials
- High quality products at lowest total cost
- Increase flexibility, optimize resources

Supplier Benefits

- More frequent and timely information
- Reduction of inventory and space
- Reduce obsolescence costs
- Smoother execution of changes
- Allows tighter control of the supply chain
- Provides the ability to forecast cash flows



Supplier Consignment Agreement

- ◆ Supplier will maintain agreed upon quantities of supplier owned product in MSA consignment inventory storage location(s)
- ◆ MSA will provide and manage a secure facility for supplier owned inventory
- ◆ MSA will provide timely visibility to inventory quantities and usage
- ◆ MSA will inspect supplier owned inventory prior to title transfer
- ◆ MSA will accept title transfer upon transaction to MSA manufacturing facility
- ◆ Shipping charges from supplier site to MSA consignment inventory storage location(s) is negotiable

Consignment - What's in it for me?

◆ **If you're MSA**

- Less total inventory
- Improved inventory turns
- Ability to forecast cash flow
- Increased manufacturing space
- Minimize inventory obsolescence
- Next steps toward Lean

◆ **If you're a Supplier**

- Less total inventory
- Improved inventory turns
- Ability to forecast cash flow
- Increased manufacturing space
- Minimize inventory obsolescence
- Improved visibility to demand
- Strengthen preferred supplier status



Manufacturing Locations:

Locations	Primary Products	MSA Contact	Telephone No.
Clifton, NJ	Fire Helmets & Accessories	Peter Abal	973-594-7130
Cranberry, PA	Portable & Permanent Instrumentation	Doug Inman	724-776-8699
Englewood, CO	Fall Protection Equipment	Karen Ecker	303-975-2342
Evans City, PA	Gas Masks, Rubber Molding	Effie Confer	412-967-4218
Jacksonville, NC	Respiratory Protection	Bill Pegram	910-355-3212
Mexico City, Mexico	Fall Protection, Hard Hats	Carlos Villacian	52-55-21-22-57-63
Murrysville, PA	Self Contained Breathing Apparatus (SCBA), Hard Hats	Gary Stephan	724-733-9297
Newport, VT	Advanced Combat Helmets	Rudy Chase	802-334-2774
St. Pauls, NC	Ballistic Protection	Rick Wilhide	910-865-2425
Torreon, Mexico	Respiratory Protection	Carlos Villacian	52-55-21-22-57-63

MSA Finished Goods Locations:

Locations	Primary Products	MSA Contact	Telephone No.
Crafton, PA	Industrial Safety Products	Theresa Brown	724-742-8013
Edmonton, Canada	Industrial Safety Products	Joe Capobianco	780-483-0988
Sidman, PA	Retail & Consumer Safety Products	Terry Damico	724-742-8014
Toronto, Canada	Industrial Safety Products	Joe Capobianco	780-483-0988

Code of Business Conduct and Ethics

Effective Date:

10/26/04

Supersedes:

12/11/03

Approved by:

John T. Ryan III
Chairman & CEO

OBJECTIVE

To ensure that the business practices of Mine Safety Appliances Company ("MSA") remain steadfast to the Company's mission and principle of accepting nothing less than fair and honest dealings with all individuals and entities to promote the continued growth and success of the Company.

CODE

A. General

1. Laws

The employees, officers and directors of MSA (hereinafter collectively referred to as "Employee") shall adhere to the laws of the United States and its political subdivisions and to those of other countries in which MSA operates, including but not limited to laws regarding antitrust, the environment, workplace health and safety, international commerce, corporate governance, anti-discrimination and insider trading. MSA has detailed separate policies concerning many of these laws and an Employee is expected to be familiar with such policies. Where conflicts or ambiguities exist in these laws or policies, the MSA Law Department should be consulted for guidance.

2. Honesty and Fair Dealings

All Employees shall adhere to honest standards and practices in all business dealings. All Employees shall act legally, ethically and fairly when dealing with customers, suppliers, competitors and other Employees.

3. Political Contribution

No MSA funds, facilities or services shall be used to aid or oppose any candidate for office of any government, State, Federal or local, in the United States or any other country.

4. Accounting

Established accounting procedures are to be followed at all times including the recording of all forms of funds or assets of MSA. No false entries shall be made in the books and records of MSA. No payment on behalf of MSA shall be approved or made with the intention or understanding that any part of such payment is to be used for any purpose other than that described by the documents supporting the payment.

5. Bribes

Under no circumstances shall any payments, gifts, rendering of services or any other form of value be directly or indirectly given by an Employee of MSA to any person, including but not limited to public officials, employees of customers, or employees of suppliers (hereinafter "Person") to improperly influence the Person's exercise of judgment and discretion to assist MSA in obtaining or retaining business contracts. Payments provided to a member of the immediate family of any such Person shall be considered and treated as though provided directly to that Person. Reasonable and customary entertainment, however, may be offered for the promotion of the Company's business when done in accordance with Section B(5) below.

6. Audits

MSA's internal auditors, as well as our independent public accountants, shall examine the adherence to this Code as part of their periodic reviews.

7. Appearance of Impropriety

All Employees should be sensitive to situations that may give the appearance of impropriety, unethical conduct or violations of this Code or any other MSA policies. If an Employee believes that a contemplated action may create an appearance of impropriety or otherwise conflict with this provision, he or she should seek guidance from management or the MSA Law Department before taking any such action.

8. Disclosure

All Employees must provide full, fair, accurate, and understandable disclosures in all MSA reports and documents submitted to any governmental authority or other persons outside or within MSA.

9. Protection and Use of Company Assets

Under no circumstances shall an Employee misappropriate or improperly use Company assets.

10. Confidentiality

All Employees must maintain the confidentiality of information entrusted to them by MSA or its customers, except when disclosure is authorized or legally mandated. Confidential information includes all non-public information that might be of use to competitors, or harmful to MSA, its customers or shareholders, if disclosed. Selective disclosure of information in violation of applicable securities laws and regulations is prohibited.

B. Conflict of Interest

1. Freedom from Constraints

All Employees shall be free from any personal influence, interest, or relationship, or appearance thereof, in situations that might conflict with the best interests of MSA.

2. Disclosure

All Employees shall fully disclose in advance to MSA management, the Law Department or the Human Resources Department any circumstance that may create a conflict of interest so that an appropriate determination can be made as to whether such conduct should be avoided on the basis that it may violate this Code.

3. Financial Interests

An Employee or a member of the Employee's immediate family may not have a substantial financial interest in an organization that has current or prospective dealings with MSA as a supplier, contractor or customer, or competes directly with MSA when the Employee may be able to influence the dealings of MSA to benefit the Employee's private interests, unless, the Employee both discloses the situation in accordance with B(2) above and recuses him or herself from any decisions concerning transactions between MSA and the organization. An Employee may own stock in a publicly traded company that does business with MSA as long as such business dealings are immaterial to MSA.

4. Acceptance of Gifts or Entertainment

All Employees shall not accept any gifts or entertainment from any organization having current or prospective dealings with MSA as a supplier, contractor or customer, except when such gifts or entertainment are of such insignificance that acceptance would not prevent the Employee from acting solely in the best interests of MSA. Gifts or entertainment provided to a member of the immediate family of the Employee shall be considered and treated as though provided directly to the Employee.

5. Offering of Gifts or Entertainment

All Employees shall not offer any gifts or entertainment to a current or prospective customer, except when such gifts or entertainment are of such insignificance that acceptance would not prevent the recipient from acting solely in the best interests of the recipient's organization. Such gifts or entertainment provided to a member of the immediate family of a customer or its employee shall be considered and treated as though provided directly to the customer or its employee.

6. Non-Competition

All Employees shall not receive compensation for services rendered as a representative, consultant or director of another organization that competes directly with MSA or where the other organization has current or prospective dealings with MSA, if such relationship would prevent the Employee, when acting as an Employee, from acting solely in the best interest of MSA. In all cases under this Section B(6), the Employee shall recuse him or herself from any decisions concerning transactions between MSA and the competing entity, when acting as an Employee. A Director of MSA may have ownership and or position with another organization that may do business with MSA; however, the Director must recuse him or herself from any decisions concerning transactions with the organization.

7. Employment

An Employee may not accept concurrent employment with another company if the organization is a competitor or supplier of MSA, or one that may become a competitor or supplier of MSA in the foreseeable future, or if such employment may prevent the Employee from effectively carrying out his or her job responsibilities for MSA. Concurrent employment, even if it does not represent a potential conflict with MSA, is generally discouraged and must be approved by the Employee's supervisor.

8. Loans

To avoid the potential for a conflict of interest, an Employee shall not loan money to any individual or entity to promote the business of MSA without the express written permission of the Chief Executive Officer, and subsequent disclosure to the Audit Committee of MSA's Board of Directors. This clause does not preclude MSA from extending credit or otherwise assisting in standard commercial financing or leasing of MSA products by a customer or end user.

An Employee or a member of the Employee's immediate family may not borrow money from individuals or organizations that conduct or may conduct business with MSA, either as a customer or supplier. This does not apply to public lending institutions, e.g., banks, savings and loan associations, etc.

9. Corporate Opportunities

An Employee shall not use information gained in the course of performing his or her duties to take personal advantage of any MSA business opportunity without first obtaining the consent of MSA.

C. Reporting, Monitoring and Accountability

1. Reporting

MSA shall provide appropriate means for reporting violations of this Code, including but not limited to financial improprieties. Anyone who is aware of any possible violations must promptly report the non-compliance to their supervisor, MSA's Law Department, Human Resources Department or MSA's Ethics Guideline telephone number. The identity of each Employee who reports a possible violation will be treated as confidential unless the Employee agrees to waive confidentiality. If circumstances arise which prevent correction of a reported activity without revealing the identity of the Employee who reported the conduct, the Employee will be contacted before his or her identity is revealed. MSA shall not permit retaliation of any kind against anyone who reports what he or she believes in good faith to be illegal activity or unethical conduct.

2. Waiver

No waiver of this Code will be made for any officer or director unless approved by the Board of Directors and promptly disclosed to the shareholders.

3. Management Responsibility

Department managers shall be responsible for monitoring compliance of this Code in the areas under their supervision.

4. Accountability

Any infraction of this Code will subject the Employee to disciplinary action which, depending upon the seriousness of the violation, may include warning, reprimand, suspension or termination.

5. Continuing Commitment

MSA shall continually enhance, evaluate and communicate this Code of Business Conduct and Ethics.



Supplier Visits

Please make visits by appointment. We realize your time is valuable and a prior appointment on a weekday will help us make the best use of your time and ours. In order to be most effective, we want to streamline our communication through the procurement organization and ask that you avoid direct contact with other MSA departments unless directed otherwise.