

TESTING PRACTICES ADRESSED AT SAPA PROFILES INC. IN PORTLAND, OREGON

As a result of internal investigations, Sapa Profiles Inc. in Portland, Oregon (SPI) has learned that the test records for certain aluminum extrusions manufactured at the SPI facilities were altered by certain employees. Specifically, we have learned that some test results for mechanical properties – ultimate tensile strength, yield strength, and elongation – have been altered to change failing test results to passing test results between 1996 and 2015. This unsanctioned practice is completely unacceptable. The misconduct was immediately stopped and the employees involved were terminated. In addition, SPI alerted U.S. government officials and is working closely with them as they conduct their own investigations.

The U.S. Department of Justice (DOJ) Civil Division is currently investigating certain government suppliers, including SPI's Technical Dynamics Aluminum division (TDA) now based in Vancouver, Washington. For SPI, the investigation relates to aluminum extrusions TDA manufactured in 2000 and 2002 and delivered to supplier to NASA. The DOJ Criminal Division also has initiated an investigation. Following these investigations SPI has, since September 30, 2015, been temporarily suspended as a U.S. federal government contractor.

Since we learned of this issue, SPI has taken extensive measures to enhance the integrity of the quality systems at the SPI facilities. These measures include:

- SPI has hired a new senior level plant manager and a new lab supervisor.
- SPI, together with other Sapa Extrusion Americas plants, is conducting additional training for all lab technicians, installing new state-of-the-art testing equipment and improving overall ethics and compliance programs.
- The Sapa Extrusion Americas organization will be further strengthened with the forthcoming addition of a new Vice President of Quality and a new Director of Compliance.

In addition to these measures, Sapa Extrusion North America is undergoing audits, with support from a third-party expert, throughout our network to verify that all testing labs meet both industry standards as well as our customers' requirements. Any issues identified in these audits, which may have an impact on our customers, are being shared with our customers and necessary remediation actions are being taken.

Our primary focus throughout this process has always been, and will continue to be, our customers. We have proactively reached out to SPI customers through letters, email and personal outreach and set up a technical response team to inform them of the testing issues that have been discovered, as well as to work closely with them to address any questions they may have.

The Sapa Extrusion Americas management team takes this situation very seriously. We remain 100 percent committed to remedying this unfortunate situation and preventing it from ever happening again. We will also continue providing the affected customers with our support to resolve any issues this situation may have caused them.

If you have any additional questions or concerns regarding your orders, you are encouraged to contact our technical response team by phone at +1 (503) 802-3080 (8:00 a.m. to 5:00 p.m. Pacific Time) and/or via e-mail at portland@sapagroup.com.

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Please direct inquiries via our Press Office:

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Sapa Extrusion Americas operates 22 plants across the U.S. and Canada. Sapa Profiles Inc. in Portland, Oregon and Vancouver, Washington, previously Anodizing Inc., was acquired in the year 2000. The operations in Portland and Vancouver are organized into five locations of which Technical Dynamics Aluminum (TDA) is one. Sapa's operation in Portland and Vancouver has over 600 employees. Total annual production volume in 2014 was approximately 80 million pounds, of which less than 0.5% percent was delivered to government customers.