



**MOTORCAR PARTS OF AMERICA, INC.**  
**SUPPLIER CODE OF CONDUCT**  
**EFFECTIVE DATE: SEPTEMBER 9, 2020**

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### **Statement of Policy**

The Supplier Code of Conduct (the “Supplier Code”) reflects the commitment of Motorcar Parts of America, Inc. (“MPA”) to the highest standards of quality products, starting with quality sourcing. In doing business with MPA, foreign and domestic suppliers are expected to meet these standards and comply with the Supplier Code.

The Supplier Code supplements, but does not modify or supersede, any rights or obligations established in the purchase order terms and conditions or in any agreement MPA may have with any of its suppliers. MPA reserves the right to terminate its relationship with a supplier due to its failure to comply with the Supplier Code.

The Supplier Code of Conduct Policy is available on the MPA corporate website <https://motorcarparts.com/governance/>

### **Ethics**

MPA expects its suppliers to read and comply with its Code of Business Conduct and Ethics (the “Code of Ethics”), which is available on the MPA corporate website at <https://motorcarparts.com/governance/>

- Known or suspected violations of the Supplier Code will be reported in the manner set forth in the Code of Ethics for the reporting of known or suspected violations of the Code of Ethics.
- MPA has adopted an ethics reporting policy for all concerns regarding financial improprieties and unethical activities and has implemented an ethics phone line as one method for reporting these concerns. MPA’s suppliers may report their concerns via this phone line, which is administered by an outside, independent service provider. Contact information for the ethics phone line is listed in the Code of Ethics.

### **Monitoring**

- Suppliers are encouraged to provide MPA with reasonable access to information and facilities for the purposes of monitoring and assessing the suppliers’ adherence to the Supplier Code.
- If MPA, its Audit Committee, or its designee determines that this Supplier Code has been violated in any manner by a supplier, such supplier will be re-evaluated and its relationship with MPA may be terminated by MPA.



## Quality

- MPA is committed to providing the highest-quality products to its customers.
- To establish and maintain a supply chain quality management system, MPA encourages its suppliers to have the ISO 9001:2015 certification, and or the IATF-16949:2016 certification is preferred.
- Suppliers will undergo periodic performance evaluations that specifically test on-time delivery and quality performance. In the event that MPA determines that a supplier is not performing as required, MPA reserves the right to suspend all orders until corrective actions are taken.

## Compliance with Laws, Rules, and Regulations

- MPA expects its suppliers to comply with all applicable laws, rules, and regulations, including, without limitation, the specific laws, rules, and regulations referenced below, and to refrain from any illegal conduct, including, without limitation, conduct that is illegal under the U.S. Foreign Corrupt Practices Act and applicable foreign anti-bribery laws.
- MPA expects its domestic and international suppliers to abide by the U.S. Department of Treasury, Office of Foreign Assets Control (OFAC) – Sanctions Programs <https://home.treasury.gov/policy-issues/office-of-foreign-assets-control-sanctions-programs-and-information> “OFAC administers and enforces economic and trade sanctions based on US foreign policy and national security goals against targeted foreign countries and regimes, terrorist, international narcotics traffickers, and those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy or economy of the United States.” “U.S. sanctions programs vary in scope. Some are broad-based and oriented geographically (i.e. Cuba, Iran). Others are “targeted” (i.e. counter-terrorism, counter-narcotics) and focus on specific individuals and entities. These programs may encompass broad prohibitions at the country level as well as targeted sanctions. Due to the diversity among sanctions, we advise visiting the [“https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information”](https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information) page for information on a specific program. ” The sanctions can be either comprehensive or selective, using the blocking of assets and trade restrictions to accomplish foreign policy and national security goals.”

## Conflict Minerals

- Pursuant to Rule 13p-1 of the Securities Exchange Act of 1934 (the “Rule”), MPA has adopted a Policy Statement on Conflict Minerals that is available on its corporate website: <https://motorcarparts.com/content/uploads/2016/11/Policy-Statement-on-Conflict-Minerals.pdf>



## Customs-Trade Partnership against Terrorism/Importer Security Filing

- MPA is a certified member of C-TPAT and encourages all of its business partners, including suppliers of tangible goods, to adopt security-minded strategies and procedures that meet C-TPAT's requirements. Annually, overseas/foreign suppliers must complete the PUFM-0011 MPA C-TPAT Re-Evaluation Questionnaire.
- As MPA is C-TPAT Certified, incorporation of the MSC Minimum Security Criteria for US Importers is to be followed. "CTPAT incorporated requirements or recommendations related to cybersecurity, protection against agricultural contaminants, prevention of money laundering and terrorism financing, and the expansion of security technology. The MSC maintains flexibility and a risk-based approach, while redefining the global standard for government-led supply chain security programs". <https://ctpatsecurity.com/wp-content/uploads/CTPAT-MSC-Importer-Booklet-March-2020.pdf>
- International suppliers must provide MPA with Importer Security Filing (ISF) information no later than 72 hours before cargo is laden aboard a vessel destined for the United States. MPA will invoice its suppliers for any fines or penalties received relating to non-compliance with the ISF.

## Environmental

- MPA encourages its suppliers to meet or exceed all applicable environmental laws and standards, including, but not limited to, OSHA's Hazard Communication Standard (HCS) 29 CFR 1910.1200, revised in 2012, which requires that the chemical manufacturer, distributor, or importer provide Safety Data Sheets (SDSs) for each hazardous chemical to downstream users to communicate information on these hazards.
- Certain of MPA's suppliers may supply products containing chemicals subject to CA Proposition 65. Accordingly, to ensure its compliance with CA Proposition 65, MPA may require its suppliers to declare, at the times and in the manner it deems necessary, if their products will expose consumers to all chemicals known to the State of California to cause cancer (see <http://oehha.ca.gov/proposition-65> ; <https://oag.ca.gov/prop65/faqs-view-all#businesses>

## Labor Standards and Practices

- MPA requires its suppliers to never engage in forced labor, child labor, or human trafficking.
  - Section 307 of the Tariff Act of 1930 (19 U.S.C. § 1307) prohibits the importation of merchandise mined, produced or manufactured, wholly or in part, in any foreign country by forced or indentured child labor – including forced child labor. Such merchandise is subject to exclusion and/or seizure, and may lead to criminal investigation of the importer(s).
  - When information reasonably but not conclusively indicates that merchandise within the purview of this provision is being imported, the Commissioner of U.S. Customs and Border Protection (CBP) may issue withhold release orders pursuant to 19 C.F.R. § 12.42(e). If the Commissioner is provided with information sufficient to make a determination that the goods in question are subject to the provisions of 19 U.S.C. § 1307, the Commissioner will publish a formal finding to that effect in the Customs Bulletin and in the *Federal Register* pursuant to 19 C.F.R. § 12.42(f).



- For Domestic suppliers visit <https://ecfr.federalregister.gov/current/title-29/subtitle-B/chapter-V/subchapter-A/part-570> Title 29: Labor PART 570—CHILD LABOR REGULATIONS, ORDERS AND STATEMENTS OF INTERPRETATION
- Forced Labor is defined by the International Labor Organization’s Convention No. 29 as all work or service exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.
- As a company doing business in the State of California, MPA is subject to the California Transparency in Supply Chains Act of 2010 (SB 657), including disclosure obligations relating to forced labor and human trafficking. Accordingly, MPA may ask its suppliers for information regarding their labor practices and expects them to cooperate with such requests.
- MPA expects its suppliers to provide and maintain a safe and healthy work environment for all their employees that meets or exceeds the applicable standards for occupational safety and health.



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**SUPPLIER ACKNOWLEDGMENT FORM**

<b>Supplier Information</b>	
Supplier Name	
Supplier Address	
Contact Name	
Contact Title	
Telephone	
E-mail Address	
<b>Supplier Acknowledgement</b>	<p>As a supplier of MPA, I have read the following MPA policies:</p> <ul style="list-style-type: none"><li>▪ MPA Code of Business Conduct and Ethics</li><li>▪ MPA Policy Statement on Conflict Minerals</li><li>▪ MPA Supplier Code of Conduct Policy</li></ul> <p>As a supplier of MPA,</p> <p style="text-align: center;"><i>(Company Name)</i></p> <p>agrees to follow the above-stated policies.</p>
<b>Signature Block</b>	
Supplier Signature	
Print Name	
Title	
Signature Date	