

To Our Customers:

**Subject: Lead-Free Initiative and MEC**

Directive 2002/95/EC Of The European Parliament and of the Council on the Restriction of the Use of Certain Hazardous Substances in electrical and electronic equipment (RoHS)

**and**

Directive 2002/96/EC Of The European Parliament and of the Council on Waste and Electrical Electronic Equipment (WEEE)

As are all companies in our industry, we are rapidly approaching a July 1, 2006 deadline to comply with the RoHS and WEEE Directives referenced above.

MEC is *very* cognizant of the implications this initiative has on our operation processes and many of our customers. The MEC Process Technology Team, which has the overall responsibility to plan for future technologies or processes that may impact our customers, has created a Lead-Free Committee. The Committee has the responsibility to plan, address and formulate actions to deal with the impact on equipment, process materials, components, test strategies and to plan the integration of these for our customers. They have been active for over a year now as we plan and implement our way to readiness for our customers.

Our current plan is to have our lead-free processes in place and tested by the end of the year, 2005 for customers who require this service. The following timetable shows our implementation schedule.

- 1<sup>st</sup> Quarter 2005 – Prototype material testing and material documentation
- 2<sup>nd</sup> Quarter 2005 – Prepare an impact statement on all processes in our company
- 3<sup>rd</sup> Quarter 2005 – Capitalization or procurement of equipment
- 4<sup>th</sup> Quarter 2005 – Production shakeout
- January 2<sup>nd</sup> 2006 – Production Ready

Due to the challenges associated with material and process segregation, MEC is implementing separate lead-free production processes in addition to our current production lines in both Canby and Milwaukee. By doing so, it is our desire that our customers will have peace of mind knowing that our new processes and controls will be isolated from our traditional leaded lines.

We have also developed a customer awareness program to address the impact on our customers who may not be knowledgeable about the initiative or the implications to their business. Through letters like this, a presentation that we can deliver personally, E-Newsletter articles and direct Q&A, we will provide our customers with all of the information necessary to guide you through the process to “lead free.” We have also made available on our website a download presentation that we’d like to review with you and your team so that we can discuss the impact of these directives on your company, and our business together.

That presentation is available at [www.MECCompanies.com/LeadFree.asp](http://www.MECCompanies.com/LeadFree.asp).

### **The Impacts of Changes Required**

The following impacts may also result from the changes to “lead free.”

- ❑ Component cost increases, principally the PCB.
- ❑ PCB Layout changes to accommodate component pad needs.
- ❑ PCB Tooling costs due to board layout change.
- ❑ Component lead time may be increased for these new lead free materials.
- ❑ Obsolete material issues may arise as parts are transitioned to lead free.
- ❑ Circuit redesign due to discontinuance of a component part.

### **First Steps**

1. Decide whether or not you need this service from MEC and other PCBA suppliers.
2. MEC can provide the resources to verify printed circuit board Bills of Material for component compliance at reasonable cost.
3. Count on MEC to provide recommendations to those components not meeting RoHS.
4. MEC will provide an action plan to get your product ready to meet RoHS.

We expect this approach to provide assurance to our customers that we are taking the necessary steps to prepare ahead to protect your interests. The time is fast approaching.

If you would like us to schedule a visit, a teleconference or another form of direct communication regarding this matter, please contact us.

Sincerely,

[MEC](#), The Milwaukee Electronics Companies

Jim Winistorfer  
General Manager  
MEC Midwest  
Milwaukee, WI  
414-228-5000

Rick McClain  
General Manager  
MEC Northwest  
Canby, OR  
503-263-7300