



## ***Purchasing Terms and Conditions & Supplier Requirements***

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**Egide USA, Inc. suppliers are a critical part of our success. To supply top quality products and services responsibly, we understand and expect our suppliers will have an internal code of ethics and business conduct, best practices for enhancing product safety, and will maintain compliance with all laws and regulations applicable to your operation of business. If you have any questions regarding these specifications and requirements, contact your purchasing representative before proceeding with this order.**

**Quality Management System & Quality/Inspection System:** The supplier shall have a quality management system that is compliant with the requirements of current ISO9001 or AS9100 standards. Supplier's calibration system shall meet the requirements of: ISO9001, ANSI-Z540 or MIL-STD-45662.

**Certificate of Conformance (CofC):** The CofC shall attest to the conformance of material and/or processes to the purchase order, drawing, specifications, Preference for Domestic Specialty Metals clause, DFARS 252.225.7009, compliance and manufactured without class 1 ozone depleting substances. The C of C shall be signed and dated by an authorized representative of the Supplier and shall contain: Supplier name and address, Egide part number and revision level, quantity shipped, date code and lot number. Additional chemical and/or physical analytical reports (Certificate of Analysis) may be required and certification test data shall be traceable to the organization performing the testing, special processing and / or inspection(s) requested via Egide's purchase order.

**Special Processes:** The Supplier shall be approved to perform specific required Special Processes or use Special Process vendors acceptable to Egide and Egide's customer. Certifications shall be provided for all special processes, such as welding, soldering, painting, plating, etc.

**No Changes Without Approval:** Supplier shall notify Egide and obtain approval of intended or actual process, product, service, location or sub-tier supplier changes that may affect items under the purchase order. Except for first time purchases, items furnished shall be identical in form, fit and function to product previously accepted by Egide. Unauthorized material substitutions are not permitted without Egide written consent prior to implementation.

**Right to Entry:** With appropriate notice, Egide, Egide's customer and/or their regulatory authorities shall be afforded the right of entry to all Supplier and sub-tier Supplier facilities and records to verify that the contracted work, material and records conforms to specified requirements.

**Record Retention:** Legible, retrievable and available records of inspections, tests, process controls and quality documentation required by contract or subordinate specifications or suppliers shall be retained by the supplier for a period of not less than ten (10) years after record creation.

**Notification of Obsolescence:** The supplier shall notify Egide twelve (12) months in advance of any planned material or component obsolescence on existing orders to facilitate an option for last time buy.

**Corrective Action Request:** Supplier shall, on request, provide statements of corrective action on nonconformities or failures of Supplier's goods or services. Such requests require timely responses and shall be recorded on the Egide form or equivalent. Egide regularly evaluates Supplier quality and delivery performance is regularly reviewed and failure of a supplier to implement effective corrective actions can result in additional controls over the supplied product or the supplier, including, but not limited to; charge-backs, or additional inventory levels. If these controls are not effective, it can result in the supplier becoming unapproved.

**Counterfeit Parts.** The Supplier shall certify that only new and authentic materials are used in products or goods delivered to Egide and that the products/goods delivered contain no Counterfeit Parts.

**Nonconforming Material:** The supplier shall maintain a documented system to ensure nonconforming products are immediately identified as nonconforming and segregated from conforming products withheld in a designated and controlled area for review and disposition. Any deviations from purchase order, drawings, specifications or other procurement requirements shall be submitted to Egide purchasing for review and disposition.

**Limited Shelf Life Items:** Materials with a shelf life must have no less than 80% shelf life when received at Egide. Items shall indicate the date of manufacture, lot number and applicable specification on the container.

**Foreign Object Damage (FOD) Prevention:** Supplier is required to establish and maintain a Foreign Object Debris/Damage (FOD) prevention program that employs appropriate housekeeping practices to assure timely detection and removal of residue/debris generated, during operations and normal daily tasks.

**Flow -Down to Sub-Tier Suppliers:** Applicable specifications and requirements of the purchase order must be flowed down specifically or by reference to Supplier's sub-tier suppliers.

**Compliance with Laws:** Supplier is required to warrant that the goods to be furnished and the services to be rendered under this Purchase Order shall be manufactured, sold, used and rendered in compliance with all relevant federal, state, local law, orders, rules, ordinances, and regulations.

**Employee Competence & Awareness:** Supplier shall keep current records regarding the competence of employees producing goods/services for Egide. Additionally, the supplier shall ensure their employees are aware of the importance of ethical behavior and their contribution towards product and/or service conformity and safety.

**Inspection:** All goods and services shall be subject before, during and after delivery to test, inspection and verification, including production process verification for approval by Egide. Test specimens for design approval, inspection/verification, investigation and/or auditing may be required as specified by the purchase order. Special requirements, critical items, key characteristics, design or development control features, as noted on procurement documentation, may be validated using statistical techniques or any other methods by Egide or our customers to approve the release of products and/or services.

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**Import/Export Controls:** Seller hereby certifies that it will comply with U.S. export and import controls laws and regulations, including but not limited to the International Traffic in Arms Regulations (ITAR) the Export Administration Regulations (EAR), the regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control (OFAC), the regulations administered by the U.S. Department of Justice, Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF), and all other applicable U.S. Government regulations relating to the importation of goods into the United States (including, but not limited to, the regulations administered by U.S. Customs and Border Protection (CBP) and other import regulations promulgated by other U.S. agencies which may be enforced by CBP (collectively "U.S. export and import control laws and regulations"). If controlled by US or your country, please indicate the classification number (ECCN).

**Information Technology Assurance:** Supplier shall maintain sufficient data protection processes and systems to adequately protect specifications, information, data, drawings, software, and other items which are supplied by Egide or obtained or developed by Supplier in the performance of the purchase order and to comply with any law or regulation applicable to such data.

**Purchase Order Review:** All communication shall be handled through the buyer listed on the purchase order. The supplier shall review the Purchase Order, relevant technical data, specifications (including Egide referenced ADP Procurement Specifications), drawings, process stipulations, work instructions and testing requirements prior to its initiation. Discrepancies, omissions, errors or need for clarification or interpretation noted during order review process shall be immediately communicated to Egide for written resolution. Supplier proceeding work without written concurrence does so at their own risk and delivery may be rejected.

**Order of Precedence:** In the event of any inconsistency or conflict between or among the provisions of the purchase order, such inconsistency shall be resolved by the following descending order of preference: 1. Order-specific text on the Purchase Order; 2. Documents and /or Specifications incorporated by reference on the Purchase Order; 3. This document, Supplier Terms and Conditions & Supplier Requirements; 4. Statement of Work.

**Order Acknowledgment:** Supplier must fax or email a signed confirmation of Purchase Orders, within one business day of receiving purchase order. Confirmation must include current lead-time.

**Packaging & Handling:** At a minimum, the Supplier shall package all material in a manner that will ensure protection against corrosion, oxidation, deterioration and physical damage during shipment. Electrostatic sensitive product shall be packed in an ESD protective bag. When materials delivered are lot-controlled and multiple material lots are shipped, each lot shall be separately packaged and identified.

**Shipping Instructions:** The due date on the purchase order is the date material is delivered at Egide's dock. Any shipment delivered more than 10 days prior to the due date, will be rejected. Deviations from the contracted due date must be approved by the Egide buyer. Any delay in the required delivery date, due to the supplier's performance, will result in negotiated shipping costs between Egide and the Supplier prior to shipping. The difference in the actual shipping cost and Egide's preferred shipping method will be deducted from the invoice of any shipment not adhering to this policy. Egide must approve any overages and shortages from the required quantity of the purchase order prior to shipping. Shipping instructions for all purchase orders are as follows, UNLESS approved by an Egide buyer or as noted on the purchase order:

Individual packages CANNOT exceed 20 lbs and must be labeled "CAUTION HEAVY" or equivalent notation.

- Small Shipments:   1. Ground shipments must ship via UPS—collect—Acct #2-78-878  
                          2. Air Shipments must ship via FED-X, priority one—collect—Acct #221750039
- Large Shipments:   1. LTL shipments (packages over 150 lbs), ship UPS FREIGHT—collect

**Payment, Returns, and Replacement:** Payment terms are negotiated between the Supplier and Egide. Returns due to the vendor's performance will be shipped back to the supplier at their cost. Egide will notify suppliers prior to shipping the returns. All replacement parts from the supplier to be shipped back to Egide, will be at supplier's expense.