



Standard Terms and Conditions of Purchase

EPE's Quality Management System is certified to AS9100D and as such, we must flow down the following requirements to our suppliers:

- 1) All products are to be built per drawings and specifications provided using approved materials, procedures, equipment, and according to latest government regulations, where applicable. Any special processing done outside the supplier's facility requires approval by EPE. Changes in product and/or processes, suppliers, manufacturing facility location and/or any deviations or non-conformances of product require approval by EPE and/or our customer before shipment or disposition. Supplier shall notify EPE of any product/component obsolescence issues and maintain a system to prevent the use of counterfeit materials.
- 2) All shipments shall include a Certificate of Compliance referencing lot/date code and signed by an authorized quality representative. COTS items will be verified against the current AVL and inspected for damage and correct quantities. Custom parts (ordered to an EPE supplied drawing) will be sample inspected at EPE for key or critical characteristics. Any parts not meeting specifications or requirements will be returned for rework or replacement.
- 3) All quality records (test/inspection reports and certificates of conformance/materials/analysis) shall be kept on file for 10 years from the date of shipment to EPE. If Seller cannot meet the retention time, then the Seller can ship records to EPE for retention. Test, Inspection and/or Audit samples and/or data must be provided to EPE upon request. EPE, its customers, and regulatory authorities reserve the right to access and inspect applicable areas/facilities at any level of the supply chain involved in the order to ensure products, processes, and applicable records conform to specified requirements.
- 4) A Quality Management System complying with ISO 9001:2015 or that can demonstrate compliance to sections 4-10 of ISO 9001:2015 shall be implemented. The organization shall ensure that all personnel involved with the order understand their contribution to product/service conformity, product safety and the importance of ethical behavior. Suppliers are required to flow down to sub-tier suppliers the applicable requirements noted in the purchase order and attached specifications, when applicable.

Additional Supplier requirements:

- 5) All electronic components shall be stored, packaged and handled in accordance with ANSI/ESD S20.20 and JEDEC J-STD-033 as applicable. EPE will NOT accept manufacturer's date codes older than 60 months at the time of shipment without prior EPE approval. Components ordered as cut tape must be supplied in one continuous strip, with leader tape when available. EPE reserves the right to reject receipts of multiple cut strips unless specifically called out on the purchase order. Mixed date codes within reels, tubes, trays, etc. are not acceptable.
- 6) Custom fabricated items are ordered in the exact quantity required therefore, it is not acceptable to ship short without prior approval from the EPE buyer.

7) If the Purchase Order (PO) is for Printed Circuit Boards (PCBs), see additional terms and conditions outlined on the specific PO.

8) If the Purchase Order (PO) is for cable/wire assemblies, wire harnesses or custom cable assemblies, these shall be built and inspected in accordance with IPC-WHMA-A-620 class 2 unless otherwise specified on the PO.

9) If the Purchase Order (PO) is rated ITAR, DPAS, DX/DO, see additional terms and conditions listed separately on the PO.

10) Seller agrees to ship all exported products with accurate and full values on all Pro-forma invoices, shipping and customs documentation as listed on the Purchase Order.

11) Seller agrees to not insure UPS shipments valued under \$150,000 as EPE carries their own insurance.

12) EPE reserves the right to cancel an order if shipment does not conform to the delivery method, delivery date, quantity or date codes indicated on the Purchase Order. POs are to be confirmed via email response to the buyer named on the PO.

13) Invoices are to be emailed to accountspayable@epcorp.com.

Counterfeit Component Policy:

Seller agrees and shall ensure that counterfeit goods are not delivered to the Buyer. Seller's counterfeit prevention program shall meet the requirements of SAE AS5553. Seller shall immediately notify the Buyer if the Seller becomes aware or suspects that it has furnished counterfeit goods. If suspect/counterfeit goods are furnished under this order or are later found in products manufactured by the Buyer, such items will be impounded by the Buyer. Seller will be liable for all internal and external costs relating to the removal, replacement and subsequent testing of said goods. Upon request by the Buyer, the Seller shall provide a Certificate of Authenticity with full documentation showing traceability of the goods back to the OEM/OCM. Seller shall promptly replace suspected/counterfeit goods with goods acceptable to the buyer. All occurrences of suspect/counterfeit goods will be reported to ERAI and/or GIDEP by the Buyer.

Conflict Mineral Policy:

EPE recognizes the importance of preventing the use of conflict materials from the Democratic Republic of Congo (DRC) and adjoining countries and has taken actions to comply with the Dodd-Frank Financial Reform Bill section 1502(b). It is our policy to refrain from purchasing from any known conflict sources and we expect our suppliers to adhere to the same standards and source materials only from socially responsible suppliers. We expect that our suppliers will comply with our requests to provide statements and perform due diligence about the source of any conflict minerals in the goods supplied to us. EPE requests that our suppliers set their own policies and requirements and flow these requirements down to their supply chain partners. Suppliers who are non-compliant to EPE's conflict material requirements risk the loss of future EPE business.