

# EHT General Terms and Conditions.

1. Purchase order conditions are applied to each purchase order that EHT issues.
2. There are standard General Terms and Conditions (GT&C).
3. It is the supplier's responsibility to ensure that they have obtained and reviewed the latest requirement.
4. General Terms and Conditions (GT&C) provide standard terms and conditions.
5. It is incumbent on all suppliers to carefully review the P.O. requirements and inform EHT of any requirement, including shipping dates that cannot be met and/or achieved in a timely fashion.
6. Show purchase order number on shipping papers and / or invoices.
7. Any exception to Purchase Orders or Requests for quotation must be presented in writing by the supplier and provided at the earliest possible time. Deviations request should indicate whether this is a temporary or permanent need. Explanations to support the deviation need should be provided.
8. Deviations must be approved by EHT' Purchasing Management and authorized in writing to the supplier.
9. Verbal agreements are invalid.
10. Deviations approved for use will be denoted in writing and by specific notation or reference within the applicable PO.
11. Nonconforming conditions are not to be supplied without written approval (waiver) from EHT.
12. Waivers should be presented in writing to EHT' Purchasing Management. The waiver request should detail the PO and requirement, quantity affected, actual condition present, percentage of product with the condition and detail cause and corrective action plans to prevent a future occurrence.
13. Escape management – suppliers are required to notify EHT upon discovery of supply of known or suspect nonconforming product.
14. Supplier must ensure that all trap points are keep clean and covers used (when supplied) to prevent debris and Foreign Object Damage (FOD).
15. EHT reserves the right of access to the organization, their customer and regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records.
16. EHT requires that all vendors retain records that pertain to the secondary processing of all customer related material for a period of no less than 10 years.
17. Any ITAR/EAR documentation that is flowed down to the supplier must be controlled and secured.
18. No EHT supplier shall knowingly or willingly supply EHT with counterfeit parts.
19. Changes to processes, products or services (including changes to the suppliers providers or location of manufacture) shall not be permitted with approval from EHT.
20. All EHT providers and their employees are contributors to the service conformity and safety of the heat treat process. EHT requires each provider and their staff, to conduct business in an ethical manner.

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21. EHT conducts annual grading of supplier performance. Suppliers are graded annually on an overall average score which is composed equally of delivered product quality, delivered scheduled performance (negative premium freight charges), our customers notifications related to quality or service issues that involve the supplier, and financial solvency (if applicable) on a scale from 1 to 5 (1 being low and 5 being high). Suppliers are required to maintain a score of 3.0 or better to remain in the low risk category. In the event a supplier should exceed the low-risk threshold (a score of 0.00 – 2.99), they will be notified and placed on probation for a period of 1 year. Failure to comply during the probation period may result in removal of service. Annual grade reports will be communicated to each supplier in the first month of the next calendar year.

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Authorized customer signature and date.