

Delta Group Electronics Inc. (DGEI)

General Terms and Conditions

Supplier

Revision 10/12/2021

The agreement by Seller to furnish the material(s) and/or services hereby ordered by written acknowledgement of the Purchase Order, or its commencement of such performance, shall constitute acceptance by Seller of this PO subject to all DGEI Supplier Terms & Conditions specified herein, including but not limited to part number specifications & conditions. The following general terms and condition apply to all DGEI purchases orders as applicable to the commodity/service being procured. Exceptions to these conditions shall be in writing and approved at a minimum by the DGEI Director of Materials or equivalent authority.

Performance –

Valued Suppliers:

- DGEI continuously monitors overall supplier performance in the areas of OTD, pricing, non-conforming receipts, PO confirmations and RFQ turnaround time.
- DGEI's OTD window is 5 days early, 1 day late and Seller must promptly notify our Buyer if they anticipate or become aware of any PO compliance issues including over shipments.

General Terms and Conditions –

- 1) Seller must acknowledge receipt of PO, via e-mail or fax to appropriate Buyer, within one business day, or potentially risk order cancellation.
- 2) Supplier shall have in place a Quality Management System fitting of the commodity provide or as specifically directed by the DGEI purchase order. E.G. ISO9001, ISO13485, AS9100 etc.
- 3) Supplier shall have in place a system of control for design and development of the product or service supplied, if applicable to the DGEI purchase order.
- 4) Seller must maintain all records affiliated with this PO for a minimum of **7** years.
- 5) Right of Access –
 - a) DGEI, its customers and/or applicable regulatory agencies reserve the right to witness the manufacture or processing of any items in this Purchase Order to determine and verify the quality of work, records, and material at any location in the supply chain, including at the Supplier's facility.
 - b) DGEI Buyer and/or Buyer's customer, through any authorized representatives, each has the right at all reasonable times and places to inspect and test the goods or services being supplied under this PO, including by Seller's contractors.
- 6) All DGEI PO flow down requirements must be presented and monitored by Seller to their Suppliers.
- 7) Seller must notify DGEI, within one business day, when they receive or become aware of non-conforming material, OEM changes or need to alter previously provided material affiliated with any part of this PO.

- 8) Seller must notify DGEI prior to making any design or process change that could affect form, fit, function, performance, reliability, or safety of the product. This notification includes change in process equipment, or any change in manufacturing location. Material that originally required First Article documentation may require updated documentation in support of the proposed change.
- 9) Unless otherwise specified Seller must comply with all applicable United States Government AECA, ITAR, DPAS, FAR & DFAR Legislated Requirements.
- 10) Unless otherwise specified Seller must comply with all Environmental Regulations applicable to the product being sold including (but not limited to) REACH (EC 1907/2006), RoHS (EC 2002/95, EU 2011/65 and EU 2015/863) at the most current revision.
- 11) Conflict Minerals - By accepting this order, you agree to ensure that parts and products supplied to DGEI are "DRC conflict-free" as that term is defined in Section 1502 of the US Dodd-Frank Wall Street Reform and Consumer Protection Act and do not contain metals derived from "conflict minerals" (columbite-tantalite (tantalum), cassiterite (tin), gold, wolframite (tungsten), or their derivatives) such that they directly or indirectly finance or benefit armed groups through mining or mineral trading in the Democratic Republic of the Congo or an adjoining country. You further agree to establish policies, due diligence frameworks, and management systems consistent with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, that are designed to accomplish this goal.
- 12) Supplier shall use, as applicable, statistical techniques for product acceptance and related instructions for acceptance by the organization or equivalent methodology of acceptance to assure a quality product is provided and meets the specification(s) of the contractual agreement identified in the DGEI purchase order.
- 13) Suppliers shall institute a FOD (Foreign Object Debris/Damage) program that reduces, eliminates, and prevents potential causes of foreign object debris/damage.
- 14) Supplier shall have in place a counterfeit parts detection/mitigation program fitting of the commodity being provided. Reference - AS5553 Counterfeit Electronic Parts; Avoidance, Detection, Mitigation, and Disposition
- 15) A signed Certificate of Conformance is required with all orders including a minimum of the following items –
 - a) P.O. number
 - b) Part Number
 - c) Part Revision (if applicable)
 - d) Qty
 - e) Lot Code / Date Code / Date of Manufacture (if applicable)
 - f) Language indicating supplied parts are compliant with all specifications and purchase order requirements.
- 16) **All Non-Franchised/Independent Distributors, AKA Brokers, throughout the supply chain,**
 - a) All material is to be in **new condition**, all other conditions are suspect counterfeit.
 - b) All Integrated Circuit (IC) components must be tested to the requirements of AS6081 Counterfeit, EEE Parts, Avoidance, Detection, Mitigation and Disposition for Distributors, Table 1 Levels A1-A6 or as agreed upon with DGEI.
 - c) Test reports supporting the above are required unless otherwise agreed upon in writing with DGEI.

- d) Supplier shall have in place receiving inspection practices meeting the current revision of the IDEA-STD-1010 inspection standard.
 - e) Preference is given to suppliers certified by The Independent Distributors of Electronics Association (IDEA).
 - f) Financial liability of providing suspect counterfeit materials to DGEI is the responsibility of the supplier accepting the purchase order, regardless of date of purchase and/or supplier communicated limitations.
- 17) Cyber Security - Suppliers are required to comply with the cyber security requirements set forth in FAR 52.204-21 except for subcontracts for only commercial off-the-shelf (COTS) items (Ref. FAR 2.101 for definition of COTS). The FAR clause requires these controls to be implemented upon award.
- 18) Supplier shall communicate to the individuals throughout their organization the following –
- a) their contribution to product or service conformity.
 - b) their contribution to product safety.
 - c) the importance of ethical behavior.