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## Purchasing Policy

The following information is provided to assist suppliers in understanding some of Safway Group companies' procedures, policies, and practices that are designed to lend continuity to our supplier relationships. This brief outline is intended to be a general overview and not a complete summary. The purchasing staff is able to provide additional details where necessary.

### Safety

Safway Group companies are proud of our highly knowledgeable and experienced Safety professionals. Through our commitment to and focus on consistent and safe work methods, we strive to ensure that all of our employees and the users of our products remain safe and injury-free.

### Product Quality

Quality is not negotiable. Safway Group companies expect suppliers to furnish quality products that conform to specifications and customer demands on a consistent and ongoing basis. This is of absolute necessity in supporting our customers and our drive to ensure safe and accident free work environments.

### Product Delivery

Lead-time for orders shall be agreed upon between Safway Group companies' and its supplier. This includes but is not limited to all equipment, packaging, goods, & services. Any changes or anticipated changes to lead-times must be communicated to Safway Group's Corporate Asset Management and Purchasing Department.

### New Product /Technologies

Safway Group companies encourage and expect suppliers to introduce new ideas, products, and technologies into our business. Through this creativity, Safway Group companies are able to offer the customer a unique and more advanced service relative to our competition. This premise is a foundation to our long-term supplier relationships.

### Value Analysis

Our suppliers, both prospective and current, are encouraged to provide direction and input on Safway Group companies' value analysis opportunities aimed at enhancing our position in the marketplace. Conversely, we are eager to work with suppliers in value engineering their products to create mutual benefits. Do not hesitate to present your ideas or ask for assistance in this regard.

### Pricing

Safway Group companies desire multiyear agreements that provide an assurance of continuous business. Our preferred suppliers are consequently well positioned to develop long term strategic plans for their business including

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R&D, facilities (including procurement, expansion, or improvement), and equipment investments. In exchange for volume consideration and long-term agreements, we expect our suppliers to commit to stable pricing and annual price reductions over the term of our agreement. When necessary, any proposed price increases are to be presented for review sixty (60) days prior to the effective date of change. Of course any price increase must be substantiated and "earned" through performance during the preceding period.

**Return Policy**

In the event that Safway Group companies must return goods and materials to a supplier, we will call for a Return Materials Authorization (RMA) number when one is required. Credit memos are required for all returned goods that have been invoiced, and the credit memo is to be sent to the same location that originally received the invoice.

**Insurance**

Suppliers are required to maintain adequate insurance with respect to the products supplied to Safway Group companies.

**Confidentiality**

As Safway Group companies continually strive to stay ahead of the competition, it is essential that discussions of any nature be held in the strictest confidence. At times, depending on the circumstances, suppliers will be asked to sign a formal confidentiality agreement.

**Supplier Visitations**

Safway Group companies request that suppliers meet with Corporate Purchasing at least annually to review usage, and the status of the materials, products, and services supplied. All visits must be prearranged and approved by Corporate Purchasing. Additionally, suppliers should plan to visit Safway Group companies' facilities at least annually to review the same.

**Disaster Recovery**

It is necessary to have a disaster recovery program in place which includes: alternative warehousing/production locations; alternative delivery mechanisms; and information retrieval.

**Workforce Stability/Union Contract Negotiations**

In the interest of ensuring a stable supply of products and services, all suppliers are to notify Safway Group companies in writing at least 90 days in advance of the expiration of any contracts under which the management or employees of that supplier perform their duties. In the event of a walk out, strike, or work stoppage at any of the supplier's facilities, Safway Group companies must be notified in writing within 24 hours.