



DTx Strategic Supplier Expectations

Every year, DTx buys a vast assortment of items from outside suppliers. The purchase of goods and services represent the single largest expenditure made by DTx. The purchase price of an item represents only part of the cost of procurement. The task of getting quality items, at the right time, to the right place, in the right quantity is a complex process involving many of DTx employees and thousands of our supplier's personnel.

In order to develop a competitive edge, DTx will focus on some specific areas where we can impact our cost of material acquisition. These areas are:

- ❑ Reduce the number of suppliers per commodity.
- ❑ Limit single-source relationships for at risk products.
- ❑ Increase the business level with Strategic Suppliers.
- ❑ Improve the value (price/quality) of products and services.
- ❑ Optimize logistics to minimize freight and duty costs while cutting transit time.
- ❑ Reduce order administration and accounts payable costs.
- ❑ Increase supplier responsiveness/support.
- ❑ Optimization of inventory levels.
- ❑ Reduce cycle-times/lead-times for procuring products.

A key element of our supplier reduction efforts will be to develop closely coupled relationships with a few Strategic Suppliers in each commodity grouping. These Suppliers will be trusted members of the DTx team. DTx will continually challenge these members to make long term commitments to solve DTx problems and to provide outstanding quality, function, and cost effectiveness. In return, DTx will share more information, consolidate our expenditures, and promote the use of our Strategic Suppliers wherever possible.

DTx has some specific expectations of what it means to be a Strategic Supplier. In most cases, these are the same expectations our customers have, and we expect our customers to have, of DTx. In order to fully communicate those expectations, we have included a list of what attributes / expectations are the most important today and as we continue to grow. Depending on the product / service your company offers DTx, some or all of these expectations may apply.

- A dedicated DTx Account Manager.
- Ability to supply sales/field support to all DTx locations.
- A "can do" hassle free attitude from their sales support personnel.
- A clear escalation path for any business, quality or technical issues.
- Full compliance with the terms and conditions contained in any DTx contract.
- Systems in place to know your process capability and the ability to control it.
- Consistently receive the highest DTx Performance Review ratings for their commodity group.
- Outstanding quality with world-class DPM levels! Fast turnaround for corrective actions.



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- A Continuous Improvement program (including lead-time reduction).
- Ultimate flexibility (upsides, downsides and product returns).
- World-class pricing, the first time quoted, with the ability to offer price adjustments/protection.
- A fast, accurate and beneficial quoting process.
- DTx is afforded priority when parts are on allocation.
- Forward looking cost projections are shared with DTx.
- A proactive approach in supporting End Of Life (EOL) components including identification, evaluation of alternate replacements and inventory solutions for "Last Time Buy" where an alternate is unavailable.
- A proactive approach for early involvement in designs, alternative parts, cost reductions, etc.
- Compatible technology roadmap that meets DTx future requirements.
- An effective Quality System in place that meets or exceeds the requirements as outlined in ISO900X certification.
- EDI capability.
- Ability to work with other DTx supply chain management partners.
- Willingness to have "open book" policy regarding its parts costing including a review of its profit margins.

Strategic Supplier Agreement

_____ (Fill in Supplier's name)

has reviewed DTx Strategic Supplier Expectations. These expectations are well aligned with our intentions for support of the DTx account. Becoming a Strategic Supplier to DTx is an important relationship for our company. We agree to utilize every resource available to implement programs that support DTx expectations where required and to be an outstanding partner.

Agreed to by: _____

Printed Name: _____

Title: _____

Date: _____