

January 9, 2018

## Annual Notice to Suppliers

Dear Valued Supplier,

Advanced Energy Industries, Inc. (AE) would like to take this opportunity to remind our suppliers of the documentation and shipping requirements which are stated on all our purchase orders in our Standard Terms and Conditions and in the Advanced Energy Logistics Reference Manual, RM0011:

1. The shipping container must be marked in accordance with RM0011, Section 3.5, with the following information:
  - a. AE part number (including alphanumeric revision level)
  - b. Product description
  - c. AE purchase order number
  - d. Quantity of parts in that container
  - e. Manufacturer's name and part number
  - f. Country of Origin
  - g. Date/Lot Code
  - h. Moisture Sensitivity Level (if applicable)
  - i. Indication of whether parts are RoHS Compliant
  - j. Indication of whether parts are ESD sensitive
  - k. Indication of whether parts are HAZMAT
  - l. Box number (i.e., box 1 of 3)
  
2. All international shipments for AE must be accompanied by a Commercial Invoice. Commercial Invoices must include the following information:
  - a. Invoice number
  - b. Invoice date
  - c. AE Purchase Order Number, for each part number shipped
  - d. AE Part Number, for each part shipped
  - e. Product Description, for each part number shipped
  - f. Product Size, including net weight, for each part number shipped
  - g. Quantity of each part number shipped
  - h. Unit Price, including currency (note: must match AE's P.O. price)
  - i. Country of Origin, for each part number shipped
  - j. Harmonized Tariff Schedule (HTS) code, for each part number (note: HTS is provided on our purchase order)
  
3. In addition to the items listed above, please be aware that there are regulatory requirements for ocean shipments to the United States. If your company is supplying goods to any AE location in the U.S. via ocean freight, you will be required to submit certain pieces of information in advance of shipment in order for AE to comply with the Importer Security Filing (ISF) Requirements from U.S. Customs and Border Protection. Much of the required information will be available from the Commercial Invoice. The requirements for ISF include:

- a. Invoice number(s)
  - b. Manufacturer's name and address
  - c. Seller's name and address
  - d. Container Stuffing location
  - e. Harmonized Tariff Schedule Code for each part number
  - f. Country of Origin, for each part number
4. Items provided free of charge from AE to a foreign vendor may be considered "assists" and (in most cases) must be added to the commercial invoice for the item that is being shipped back to any AE location in the US.
- a. Add the items provided free of charge as separate line items on the commercial invoice used to ship the final item back to AE.
    - The part number, description and value for each item must match the information on the invoice used to ship the item from AE to the supplier.
    - Title the line item description as "Assist" followed by a description that matches the part number and description found in the invoice used to ship the item(s).
  - b. Add the value of any freight paid by AE to ship the item to the foreign supplier as a separate line item on the commercial invoice. If the actual freight cost is not known, use 4% of the total assist value(s) as the freight value.

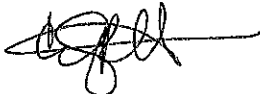
Here is an example of how an "Assist" should be listed as separate line items on the invoice:

Item	Description	Price
1	Part 33020340-05 PCBA (final item incorporating assists)	\$600
2	Assist - Part 1630238 test fixture (used to test part 33020340-05)	\$710
4	Assist - buyer paid freight	\$24

Please take a few moments to review your shipping practices and commercial documents to ensure that your company is accurately marking containers and providing complete invoices. Failure to comply results in delayed payment processing and may result in issuance of a warning letter and possible remedial actions, including disqualification.

If you should have any questions regarding these requirements, please feel free to contact the Purchasing Department.

Sincerely,



Cindy Pitrat  
Director, Global Trade & Corporate Attorney