

Surplus Equipment Consortium/Network - Definitions

SEC/N.S1.DF.01.A

Definitions of Industry Terms

3rd Party Specifications: A system that meets or conforms to a set of published specifications other than those specified and/or published by the OEM.

Agent: A business representative

“As Is”: This phrase implies that the seller makes no claim to the buyer that the system being offered for sale meets any published specifications and makes no guarantees regarding the performance of the system. The seller assumes no risk in the transaction.

Asset: Any component or system that is perceived to have value.

Asset Recovery: Being able to resell an asset for all or part of its perceived value.

Association: Groups of individuals or companies who formally come together to collectively and cooperatively work towards a common goal.

Auction: Offer of assets or property for sale to the highest bidder.

Authorized: Recognized by the OEM in a contractual agreement.

Authorized Provider/Supplier: A supplier recognized by the OEM in a contractual agreement as a provider of goods and/or services and support for that OEM's products or services that meets a published set of specifications, established by the OEM.

Back End: A term used in the semiconductor industry referring to the assembly and test of semiconductor wafers.

Broker: An agent who buys and sells for a principal on a commission basis without having title to the property.

Carcinogen: A substance or material known to cause cancer.

Certified System: Seller implies that the equipment meets a published set of specifications, established by the OEM, per a contractual agreement between the Seller and the OEM.

Cluster Tool: A series of individual systems interfaced together to perform a desired process.

Commercial Part: Commercially produced and pre-assembled component(s) or piece parts that must be replaced occasionally to ensure proper equipment function (motors, solenoids, flow meters, valves, bearings, etc.).

Consignment: Shipped to a dealer who pays only for what he sells and who may return what is unsold.

Consumable Part: Non-repairable pre-assembled or fabricated piece parts or assemblies not covered under warranty that must be replaced on a regular basis to ensure proper equipment function (filters, o-rings, belts, seals, etc.).

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Contamination: A term used to describe any foreign material (gas, liquid or solid) present that may adversely affect the production of the equipment.

Conversion: The change or modification of equipment from one specified function to another.

Decommissioned: A system is de-installed to specifications set by either the OEM, or a 3rd party. This term may be used interchangeably with "crated" and "stored".

Decontamination: The act of cleaning/purifying equipment or systems to a safe level (as defined by local, state, federal and international laws) by eliminating any foreign, toxic, corrosive, hazardous or dangerous substances that may halt or slow production or transport.

Demonstration Available:

-Functional Demonstration: A first hand or third party observation of the electrical/mechanical capability of equipment without process gases or liquids.

-Process Demonstration: A first hand or third party observation of the electrical/mechanical capability of equipment with process gases or liquids in the equipment's actual or simulated operating environment.

Device Manufacturers: Organizations, usually companies such as chip manufacturers, who fabricate components used in the assembly and subassembly of both consumer and industrial goods.

Documentation: Complete set of OEM manuals and schematics necessary to operate and maintain the system. This may also include maintenance records.

ECI – "Equipment Condition Index": A standardized rating system established by SEC/N® to provide an objective assessment of a specific piece of equipment's status and condition.

Fabricated Part: A specific piece part manufactured to OEM specifications.

Fixed Price: This term implies that the price of equipment is non-negotiable.

Front End: A term used in the semiconductor industry referring to the manufacturing and processing of semiconductors wafers.

Functional: Equipment that is capable of operating to its intended purpose and is production worthy. This term can be used interchangeably with *Operational*.

Guideline: Any suggestion or indication of a course of action to be used in the future.

Hazardous Material: A substance or mixture of substances that may cause harm to a person who comes in contact with it.

Installed: System is physically located in the clean room or production floor, and all required operating facilities are available and connected.

IP – "Intellectual Property": The legal rights that result from intellectual activity in the industrial, scientific, literary and artistic fields.

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Lease: Equipment rented for a specific period of time via a signed contract between the lessee and the lessor.

Legacy Tool/System: This refers to equipment or systems that have been officially discontinued and are no longer being manufactured by the OEM, but are still in use by the end user and, therefore, need to be supported.

Licensed: Seller of a piece of equipment who is recognized by the OEM in a contractual agreement. Being licensed by the OEM implies that a fee has been paid or that royalties are being provided to the OEM for the use of its *intellectual property*.

Logistics Services: The combined acts of packing, shipping and arranging the transportation documents for a piece of equipment.

Not/Non- Operational:

- **Major:** Missing components key to the operation of the system.
- **Minor:** Missing components not necessarily key to the operation of the system.

Obsolete: A product, system, or process that is no longer available from the OEM. This term implies that the OEM no longer manufactures the product, system or process, and no spare parts, support or professional services are available from the OEM.

OEM – “Original Equipment Manufacturer”: A company defined as the OEM has the rights to manufacture the equipment as new and owns or has the contractual right to all IP rights associated with the production of the equipment.

OEM Specification(s): System meets or conforms to a current set of published specifications as defined by the OEM.

Original OEM Specification: Implies that the equipment meets and/or conforms to the specifications published by the OEM at the time when the equipment was originally manufactured.

Operational: Equipment that is capable of operating to intended purpose and is production worthy. This term can be used interchangeably with *Functional*

Pre-owned Equipment: See *Surplus Equipment*.

Procurement: To ensure the availability of products and/or services in a timely and detailed manner.

Professional Service Provider: Supplier of services that support *installed* or *pre-owned* equipment, such as field service, de-commissioning, installation, training and/or technical support.

Reconfigure(d): This term implies that the system has been changed from its original design by either the OEM or a 3rd party. This term does not imply that the system is a *Certified System*, or that it is *Operational*.

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Refurbish(ed): This term implies that the system has been restored by either the OEM or a 3rd party to *operational* status, meets original OEM published specifications, and may use a mixture of new and original components.

Remanufacture(d): This term implies that the system is completely rebuilt (by the OEM or a 3rd party) to meet or exceed OEM published specifications, using only new OEM specified components. Typically the system can be *reconfigured* to meet customer requirements. Seller implies that the system is *operational* and may include a warranty.

Retrofit: To update existing equipment with newer components made available by the Original Equipment Manufacturer or a 3rd party that allows the equipment to exceed published OEM Specifications.

Secondary Market: The potential opportunity that exists for being able to buy or sell previously owned assets, including equipment, parts, materials, and related services.

Spare Part:

OEM Spare Part: A replacement for a fabricated, commercial or consumable part that meets or exceeds the OEM Specifications for the original part.

Functional Spare Part: A replacement for a fabricated, commercial or consumable part that does not meet the OEM Specifications for a part, but does provide the fit, form and function of the original part

Standardize: To establish rules or principles, within a specified business sector, as an acceptable way of doing business.

Sunset Product: A product that has almost reached the end of its marketable lifecycle, but is still being manufactured new by the OEM and still requires OEM support and services.

Surplus Equipment: This term implies that the equipment has either been in production, or was owned by another individual or company and, therefore, cannot be sold as new. The equipment may or may not be *Operational*.

Third (3rd) Party: Any person or organization engaged as a representative by a principal party as a facilitator or negotiator.

Used: Surplus or *pre-owned* equipment that that has at some point been installed and operated in a production or laboratory facility.

Warranty: A formal assurance of definable functionality and support issued by a seller with regards to an applicable piece of equipment. The terms and conditions of the warranty must be specified and published by the seller to the buyer prior to the sale.

Wipe Down: *Pre-owned* equipment that is only cleaned before it is sold.