



Supplier Terms & Conditions Agreement

General: State Seal Company. (hereafter, "State Seal" or "SSC") operates under a Quality Management System compliant with AS9100D/ISO 9001:2015. As a supplier to State Seal, it is understood that by acceptance of a State Seal Purchase Order (PO), your organization agrees to meet the requirements listed below. In this document, "supplier" refers to the company or entity State Seal contracts with, via a PO, to provide raw materials, products, or services that impact State Seals' ability to meet its customer's requirements.

1. By accepting a PO, a supplier commits to meet State Seal's requirements contained therein, including:

- The use of approved products, services, sub-suppliers, methods, processes, and equipment
- Criteria for testing, inspection, and verification to occur prior to product release
- Any special requirements, critical items, or key characteristics
- The need to provide test specimens, data, certificates of conformity, material certificates, or other evidence that State Seal's requirements have been met
- Delivery of product on or before the stated required date

2. In some cases, requirements in addition to those stated on the PO will be communicated via drawings or CAD data.

3. In cases where changes to a process, product, service, sub-supplier, or location may impact the supplier's ability to meet State Seal's requirements, the supplier must notify an appropriate representative of State Seal in advance of making the change.

4. State Seal expects 95% on time delivery. If the required by date on a PO cannot be met, the supplier must notify State Seal's Buyer in advance.

5. State Seal monitors supplier performance on a monthly basis and determines a Supplier Performance Rating (SPR).

6. Suppliers who do not maintain an SPR of >70% may be removed from State Seals' Approved Supplier List without advance warning.

7. Suppliers will be expected to complete and return self-evaluations as requested by State Seal's Buyer. These self-evaluations are intended to provide State Seal the information needed to understand the scope of a supplier's Quality Management System, and help determine what, if any, risk mitigation activities State Seal will perform to manage that supplier. Suppliers who do not complete the self-evaluation as requested may not be added to State Seal's Approved Supplier List.

8. Suppliers must notify State Seal of nonconforming products detected both before and after product acceptance. Disposal methods of nonconforming products must be approved by State Seal.

9. State Seal will notify suppliers in the event that nonconforming product is detected after product acceptance. Depending on the severity and scope of the nonconformity, State Seal may issue a formal Corrective Action Request to the supplier of nonconforming product.

10. Regarding "suspect/counterfeit parts:"

- Suppliers are responsible for having policies and procedures in place to ensure that they do not supply "suspect/counterfeit parts" and to the best of their knowledge no such "suspect/counterfeit parts" have been or are being supplied to State Seal Company.
- "Suspect/counterfeit parts" are parts that may be of new manufacture but are misleadingly labeled to provide the impression they are of a different class or quality or from a different source than is the case. They also include refurbished parts, complete with false labeling, that are represented as new parts or any parts that are designated as suspect by the U.S. Government, such as parts listed in alerts published by the Defense Contract Management Agency under the Government-Industry Data Exchange Program (GIDEP). Parts supplied to SSC should be directly from the Original Component Manufacturers ("OCM")/Original Equipment Manufacturers ("OEM") or through the OCM/OEMs Franchised Distributor.
- Suppliers shall maintain documented systems (policies, procedures, or other documented methods) that provide for notification to State Seal (and to obtain State Seals' written consent) before parts or components are procured from sources other than OCM, OEM, or OCM/OEM's Franchised Distributor. Suppliers shall provide copies of such documentation for its system upon State Seals' request.

- Supplier systems shall be consistent with applicable industry standards for the detection and avoidance of counterfeit electronic parts, including flowing down requirements to subcontractors.
- If State Seal reasonably determines that a supplier has provided suspect/counterfeit parts to State Seal, State Seal shall promptly notify the supplier who shall immediately replace the suspect/counterfeit parts with parts acceptable to State Seal.
- Notwithstanding any other provision contained herein, suppliers shall be liable for all costs incurred by State Seal to inspect, remove, and replace the suspect/counterfeit parts, including without limitation State Seals' external and internal costs of removing such counterfeit parts, of reinserting replacement parts and of any testing necessitated by the reinstallation of Seller's goods after counterfeit parts have been exchanged. In addition, State Seal may unilaterally terminate orders for convenience depending on the impact of the delivery.
- Specific requests for product traceability, or the requirement for material/conformity certificates will be specified via PO.

11. When State Seal intends to perform verification/validation activities at the supplier's premises, this will be communicated to the supplier in advance.

12. Suppliers shall acknowledge and flow down State Seal's requirements (including SSC's customer and applicable statutory and regulatory requirements) to their supply chain as applicable.

13. Suppliers are responsible for ensuring that its personnel are competent and aware of how they contribute to compliance with these terms, including, but not limited to:

- Their contribution to product or service conformity;
- Their contribution to product safety;
- The importance of ethical behavior

14. Suppliers shall retain and maintain appropriate records of the activities listed above. The records must remain legible, readily identifiable and retrievable for a minimum of fifteen (15) years unless otherwise specified. In cases where the duration of retention is increased (e.g. at the request of State Seals' customer), specific instructions will be provided on the PO.

15. State Seal, its customer, and regulatory authorities retain the right of access to all applicable facilities and records related to products or services provided by the supplier.

16. All suppliers providing calibration services must be certified to ISO17025 (or equivalent). All calibration certificates must identify standards used and must be traceable to NIST (National Institute of Standards and Technology).

17. Please acknowledge this order within 48 hours to POCONFIRM@state seal.com with a confirmation of the price and a statement of the estimated delivery schedule. Acknowledgement of this Purchase Order confirms understanding of the above requirements: State Seal terms and conditions can be found at www.state seal.com in the resources section at the bottom of the page under Terms & Conditions