



## 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 Seal's ability to meet its customer's requirements.

1. By accepting 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
  - 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. Design, Process, Site, Source and Material Changes:
  - Supplier and sub tier suppliers will make no changes in the design, materials, manufacturing location, manufacturing equipment, production processes, changes between a manual and automated process, and any other process related to the Goods, without the advance written approval of State Seal Company Authorized Representative. This requirement applies whether or not the change affects costs and regardless of the type of change, including product improvements.
  - To request approval to change a manufacturing location or subcontracting of process required to manufacture the Goods, supplier must provide State Seal Company with a plan at least 180 days prior to the proposed start date of implementing such change in the manufacturing location or subcontracting of processes required for the Goods. Any such plan is subject to State Seal

Company's written approval, and must result in a reduction in the prices charged by supplier to State Seal Company for Goods, and must demonstrate that supplier has taken all necessary actions to avoid negative impacts to State Seal Company, including, but not limited to, maintaining additional inventory, overlapping production schedules, etc. Such price reductions will be agreed to by supplier and State Seal Company prior to implementation.

- Supplier will notify State Seal Company of any potential changes to the program, Goods, or schedule promptly as it becomes aware of them.
  - Supplier will be responsible for any and all of State Seal Company's costs incurred as a result of changes implemented by supplier including but not limited to all customer charges; all labor costs, including engineering costs, travel and lodging; all costs to transition to an alternative source of supply; redesign and/or recertification; and all corrective action costs (e.g., costs of additional inspection or quality-control systems).
  - Supplier will not deliver, ship, or substitute Goods that have had a process change in its manufacture until all required technical documentation and change approvals have been received from State Seal Company.
  - Supplier will flow down this requirement in all its subcontracts and purchase orders for purchased goods or process-related services required for the Goods, whether such Goods are supplied to supplier as an end item, a component part of an end item, or an individual piece part.
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 SSC 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 Seal's Approved Supplier List without advance warning.
  7. Suppliers will be expected to complete and return self-evaluations as requested by State Seal's SSC. 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. If it is determined by State Seal that a non-conformance has caused negative impact to SSC's quality ratings or has added significant time or costs, supplier is subject to be debited for cost recovery.

10. Supplier shall comply with all applicable state, federal and local laws and regulations. Supplier agrees to indemnify and hold SSC harmless from and against any and all costs, expenses, penalties or other liabilities attributable to supplier's violation of this condition.

- ITAR: Supplier acknowledges that this entire document (or drawing) constitutes technical data within the definition of the U.S. International Traffic in Arms Regulations (ITAR), and is subject to the export control laws of the United States. Transfer of this technical data by any means to a foreign person or foreign entity, whether in the United States or abroad, without a prior export license or other approval from the U.S. Department of State, is prohibited. EXPORT COMPLIANCE STATEMENT: The information contained herein is or may be controlled by the International Traffic in Arms Regulations (ITAR), 22 CFR 120-130 and may not be exported or disclosed to a foreign person, whether in the United States or abroad, without prior U.S. Government written approval.
- RoHS: Supplier warrants and agrees that the goods or services sold to SSC under this order and specified to be "RoHS compliant" shall be fully compliant with the European Union Directive No. 2002/95/EC on the Restriction of Hazardous Substances ("RoHS"). Upon SSC's request, supplier shall promptly provide SSC with access to all necessary information and records evidencing the goods' RoHS compliance. Additionally, supplier shall promptly provide material declarations upon request with respect to the goods provided to SSC hereunder.
- REACH: Supplier warrants and agrees that each chemical substance or its preparations on their own or contained in goods sold or otherwise transferred to SSC is pre-registered if required, and registered if required, under Regulation (EC) No. 1907/2006 ("REACH"), is not restricted under Annex XVII of REACH and if subject to authorization under REACH, is authorized for SSC's use. Supplier shall notify SSC if it decides not to pre-register or register substances that will be subject to registration under REACH and that are contained in goods supplied to SSC or supplied to SSC on their own at least 12 months before their registration deadline. Upon request from SSC, Supplier shall provide SSC with access to all relevant information on substances meeting the criteria under REACH Annex XIV (the "candidate list") including the name of the substance, where the substance is used, and sufficient information to allow SSC to safely use the goods or fulfill its own obligations under REACH.
- Q13 SEC Section 1502: Supplier warrants and agrees that all products applicable under the SEC 1502 requirement for reporting conflict minerals originating from the Democratic Republic of Congo (DRC) have been properly

reported and are disclosed to purchaser in documents accompanying shipments of any minerals subject to this provision.

11. Limited Shelf Life and Environment Sensitive Materials: The supplier shall identify all materials and articles which have definite characteristics of quality degradation with age and/or environment. The supplier shall supply this information on the container or accompanying documentation. This identification shall indicate the date useful life was initiated and the date and/or cycle at which the useful life will be expended. When environment is a factor in determining useful life, the identification shall include the storage conditions (i.e., temperature, humidity, etc.) required to achieve the stated life. The applicable materials/parts shelf life per SSC's raw material specifications shall remain upon receipt of the material by SSC or the material is subject to rejection and return to the supplier. The shelf life start date shall be the date of manufacture (DOM) from the manufacturer or as otherwise specified by the manufacturer in writing.
12. Non-disclosure Agreement (NDA): Supplier shall keep confidential all designs, processes, drawings, specifications, reports, data and other technical or proprietary information disclosed by SSC to supplier.
13. 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 supplier'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.
- The Seller shall provide and maintain products and services traceable to lot, batch or heat back to the mill or original material manufacturer with applicable cure or date of manufacture. Delivered goods must arrive at buyer's facility properly documented, in segregated packaging and clearly labeled with this identification to prevent mixing and loss of traceability.

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

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

16. 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

17. 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.

18. Suppliers must maintain original supplier approval criteria.
19. 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.
20. Unless an alternate scope of approval has been prearranged, suppliers providing calibration services are to be certified to ISO17025 (or equivalent). All calibration certificates are to be furnished and identify standards used and have direct traceability to the National Institute of Standards and Technology (NIST).

21. Key Expectations:

- *Child Labor*: In the absence of local law, suppliers may not employ workers under the age of 14. Workers under the age of 18 may not perform work likely to jeopardize their health, safety, or education.
- *Forced Labor*: Suppliers must not facilitate or participate in human trafficking; use forced, involuntary, or slave labor; or purchase materials or services from companies using forced, involuntary, or slave labor. They must be able to certify that materials included in their products comply with the slavery and human trafficking laws of the country or countries in which they do business.
- *Hiring and Employment Practices*: Suppliers' hiring practices must include verification of workers' legal right to work in the country and ensure that all mandatory documents, such as work permits, are available. State Seal suppliers are expected to support diversity and equal opportunity in their workplaces. Suppliers must also prohibit discrimination based on race, color, gender, nationality, age, disability, union membership, maternity, sexual orientation, marital status, gender identity or expression.
- *Harassment*: State Seal suppliers must treat all workers with respect and dignity. They may not subject workers to corporal punishment, physical, sexual, psychological, or verbal harassment or abuse. In addition, suppliers must provide an environment that allows employees to raise concerns without fear of retaliation. Where it is allowed by law, suppliers should have a system that allows employees to anonymously report their concerns.
- *Compensation and Working Hours*: Suppliers must comply with applicable wage and hour labor laws and regulations governing employee compensation

and working hours. Suppliers should conduct operations in ways that limit overtime to a level that ensures a humane and productive work environment.

- *Health and Safety:* Suppliers must provide workers with a safe and healthy work environment. They should take proactive measures that support accident prevention and minimize health risk exposure. They must ensure their operations comply with all laws related to health and occupational safety.
- *Environment:* Suppliers are expected to conduct their operations in a way that minimizes the impact on natural resources and protects the environment, customers, and employees. They must ensure their operations comply with all applicable laws related to air emissions, water discharges, toxic substances, and hazardous waste disposal.
- *Gifts and Gratuities:* Suppliers must not offer gifts to State Seal Company employees. This includes gifts of nominal value. Although giving gifts is acceptable in some cultures, State Seal requests that suppliers respect its policy of not accepting gifts.
- *Improper Payments:* Bribes, kickbacks, and similar payments are strictly prohibited. This ban applies even with local laws may permit such activity. Employees, suppliers, and agents acting on behalf of State Seal Company are strictly prohibited from accepting or giving such considerations under any circumstances.

22. Please acknowledge this order within 48 hours to [POCONFIRM@stateseal.com](mailto:POCONFIRM@stateseal.com) with a confirmation of the price and statement of the estimated delivery schedule. Acknowledgement of this Purchase Order confirms understanding of the above requirements.