

SPARTON TECHNOLOGY CORPORATION

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Tel 603-880-3692

-----“*Excellence in Machining & Metal Fabrication*”-----

Supplier Terms and Conditions

AS9100 & ISO9001 CERTIFIED

As part of the Purchase Order issued from Sparton Technology Corporation (STC), to you, the following terms and conditions apply:

1. The supplier shall maintain a Quality Management System adequate to insure that products and/or services will meet all specified requirements. Suppliers must notify STC of any changes to their Quality Management System or certifications.
2. Suppliers shall provide a Test Report or a Certificate of Compliance verifying that the order meets all referenced standards as well as applicable commercial military standards. Specialty raw materials (i.e. stainless, titanium) need to be compliant with DFARs listed countries.
3. Suppliers shall notify STC of non-conforming product, STC to determine approval or rejection of all non-conforming products.
4. Special process suppliers must utilize qualified personnel as applicable to perform special processes and maintain all process, inspection and test records pertaining to purchase orders for three years. These records must be made available to STC or their customers upon request.
5. STC will have right of access to non-proprietary records which are related to the processing of STC's product.
6. Should a source inspection be requested by STC, STC's customer or regulatory authorities at a suppliers facility; this arrangement shall be granted. Source inspections shall not preclude subsequent rejection.
7. Supplier shall maintain all records (including but not limited to all process, inspection, and testing records) for a minimum of seven (7) years. These records must be made available to Buyer
8. Suppliers agree to flow down applicable order requirements to any approved subcontractors.
9. Suppliers agree to notify STC of changes in product or process that could impact this order and any significant changes to the supplier's facilities or organization.
10. Prevent the use of counterfeit parts and to ensure that persons are aware of their contribution to product or service conformity, their contribution to product safety the importance of ethical behavior
11. Conflict Materials. Seller shall ensure the security of their supply chain. To support the responsible sourcing of minerals within our supply chain, sellers are, with regards to certain minerals; Tin, Tantalum, Tungsten, and Gold originating in the Democratic Republic of the Congo or its surrounding countries, expected in place a supply chain policy and processes to undertake:
 - a. A reasonable inquiry into the country of origin of qualifying minerals incorporated into products it provides buyer.
 - b. Due diligence (with reference to Conflict-Free Sourcing Initiative) of its supply chain to determine if qualifying minerals sourced from the covered countries directly or indirectly support unlawful conflict there.
 - c. Risk assessment and mitigation actions necessary to implement the country of origin inquiry and due diligence procedures.

12. Documentation. Supplier is responsible to obtain all referenced documents. Documents not provided with the purchase order are available upon request of supplier. In the event a purchase order does not have a revision listed, it is the responsibility of the supplier to obtain this information from the buyer.
13. PROHIBITION OF ACQUISITION OF USML. ITEMS FROM CHINA. Any supplies or services covered by the United States Munitions List that are delivered under this contract may not be acquired, directly or indirectly, from a Communist Chinese military company. "United States Munitions List" means the munitions list of the International Traffic in Arms Regulation in 22 CFR Part 121.
14. ITAR Control. Documentation and other information provided by Buyer to Seller in connection with this order may contain technical data, the use of which is restricted by the U.S. Arms Export Control Act. Such technical data may not be transferred to any foreign person in the United States or abroad, except as authorized by the U.S. Department of State or the International Traffic in Arms Regulations (ITAR.) Buyer will mark documents as required to identify whether U.S. export regulations apply.
15. Government Contract Provisions. In all cases where Buyer is purchasing in furtherance of a United States Government contract, Buyer shall specify any Federal Acquisition Regulations (FARs), Department of Defense FAR Supplement (DFARS), NASA FAR Supplement (NFS), Federal Aviation Administration (FAA) Acquisition Management System (AMS) clauses or other Government agency supplemental clauses (collectively, "USG. Clauses") that shall apply to the Buyer Order. Supplier agrees to comply with applicable USG Clauses FAR 52.204-8, Annual Representations (or FAR 52.212-3, Offer or Representations and Certifications-Commercial Products and Commercial Services, if applicable), in Buyer order to be eligible for any award in support of a United States Government contract. This includes submission of representations and certifications that are effective until one (1) year from the date of submission or update to the System for Acquisition Management (SAM).
16. No Assignment or Subcontracting. The Agreement, or any rights hereunder, may not be assigned or hypothecated; and none of the work which Buyer contemplates being performed by Supplier shall be sub-contracted, without Buyer's prior written consent; and if and when subcontracting is allowed, Supplier shall continue to comply with, and be bound by, all provisions of the Agreement and be liable for the actions and omissions of its subcontractors. Suppliers agree to flow down Buyer Order requirements to any approved subcontractors.
17. Compliance: Supplier agrees that it will comply with all laws and regulations applicable to the production, sale, and delivery of the products or the furnishing of any labor or services called for by Buyer Orders and the Agreement.
18. Waiver. The failure of Buyer in one or more instances to insist upon the performance of the Agreement or any Buyer Order or the waiver by Buyer of any breach of any terms or conditions of the Agreement or any Buyer Order, or the failure of Buyer to exercise any right or privilege contained herein, shall not be construed as thereafter waiving such terms, conditions, rights or privileges and the same shall continue and remain in force and effect.
19. Non-Discrimination. Unless exempt, Supplier and its subcontractor shall abide by the requirements of 41 C.F.R. §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities and prohibit discrimination against all individuals based on their race, color, religion, sex, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status, or disability. If applicable, the contractor and subcontractor shall also abide by the requirements 41

C.F.R. § 61-300.10 regarding veterans' employment reports and 29 C.F.R. Part 471, Appendix A to Subpart A regarding posting a notice of employee rights.

20. No Gratuities. No gratuities (in the form of entertainment, gifts, travel, or anything of value) or kickbacks shall be offered or given by Supplier or by any agent, representative, affiliate, subsidiary, or subcontractor of Supplier to any officer or employee of Buyer or Buyer's customers. This restriction specifically prohibits the direct or indirect inclusion of any kickback amounts in any invoices or billings submitted under the Agreement.
21. No Child Labor. Supplier shall comply with all local, state, and national laws relating to the prohibition of child labor and indentured prison or compulsory labor. Supplier shall comply with all applicable laws and industry standards relating to working hours, working conditions, and any collective bargaining agreements. If requested by Buyer, Supplier shall demonstrate, to Buyer's satisfaction, compliance with all requirements in this paragraph. Buyer or Buyer customers shall have the right to inspect any site of Supplier for compliance with this paragraph. Supplier shall include this provision in all of its lower-tier subcontracts.
22. No Human Trafficking. Supplier shall comply with all applicable local, state, and national laws in the countries where Supplier does business relating to the prohibition of slavery and human trafficking. Upon Buyer's request, Supplier shall provide Buyer or Buyer customers with a copy of its human trafficking compliance plan and/or other evidence of Supplier's compliance with this provision. Supplier shall include this provision in all of its lower-tier subcontracts.
23. 52.203-13 Contractor Code of Business Ethics and Conduct. Compliance to this FAR clause, available on line at Acquisition.gov or similar government website is required.