



TERMS AND CONDITIONS



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STABOND MESSAGE TO SUPPLIERS:

External providers are an integral part of our quality management system, providing our organization with materials and services that enable us to provide industrial adhesives, sealants, and silicone compounds. As such, the quality and timely provision of externally provided goods and services to our organization directly impacts our ability to provide the same quality on a timely basis to our customers. Therefore, the organization must control the quality of materials and services supplied and has set forth the following terms and conditions (Agreement) for suppliers to meet. Suppliers shall agree to the following terms and conditions of purchase orders:

Clause 1: Quality System Requirement and Approval

- 1.1. Suppliers shall have a quality management system of integrated processes with the capacity to ensure consistent product and service quality, on-time performance, traceability of materials/suppliers used, and customer satisfaction as pertains this purchase order. Preferably, suppliers shall have a quality management system in compliance with ISO 9001, AS9100, or NACD.
- 1.2. Suppliers shall maintain a calibration system for test and measurement equipment that complies or meets the requirements of one or more of the following: ANSI-501-1, ISO 9001, AS 9100, or ISO 17025.
- 1.3. Suppliers must ensure that their employees are aware of the following:
 - a. Their contribution to product and service conformity
 - b. Their contribution to product safety
 - c. The importance of ethical behavior
- 1.4. STABOND shall ensure that all suppliers are approved by the organization and entered on a register of approved suppliers prior to supplying products and services, and that approved suppliers are re-evaluated yearly to ensure continual conformance this Agreement.
 - a. Criteria for approval and re-evaluation shall be determined by assessment of the supplier's quality management system, certifications held, and past performance.
 - b. STABOND shall assess supplier's ability to provide quality products/services, on-time delivery, and customer satisfaction to determine the impact of the supplier's performance on our quality objective, and shall issue scorecards on a yearly basis.
 - c. Suppliers with poor performance shall be warned and (if necessary) be audited by our quality department.
 - d. All new materials or offsets of currently used materials must be screened and approved prior to being supplied to the organization.

Clause 2: Certificate of Conformance/Analysis (COC/COA) Requirement

- 2.1. The Seller shall provide a Certificate of Conformance/Analysis or test report with the delivery of products stating that the requirements of STABOND's purchase order have been fully met. Certificates of conformance/Analysis or test reports shall include the following:
 - a. Part number, including revision, of item being furnished
 - b. Manufacturer's lot identification number
 - c. Name of the manufacturer of the material
 - d. Results of raw material test results
 - e. Date of manufacture/approval
 - f. Expiration/re-certification date
- 2.2. Whenever possible, we request that distributors send original certificates of conformance/analysis (COC/COA) or test report from the original manufacturer.
- 2.3. Materials will be randomly tested to verify conformance to COC/COA or test reports prior to formal product acceptance.

- 2.4. Distributors must ensure that material integrity and traceability is maintained for repackaged materials.

Clause 3: Non-conformant Products/Services

- 3.1. Products/services determined to be not be conformant to STABOND's specifications or suspected of fraudulence or counterfeit will be rejected and a Nonconformance Report (NCR) will be generated, and if at fault, the supplier will be asked to supply a corrective/preventive action to prevent future nonconformances.
- 3.2. Failure to reply to NCRs may result in termination of business relations.
- 3.3. Conformant products/services must be supplied to STABOND at the expense of the supplier.

Clause 4: Counterfeit Parts Requirement

- 4.1. Suppliers shall ensure that only new and authentic products are delivered to STABOND.
- 4.2. Suppliers must ensure to procure products from reliable sources and that all products supplied to STABOND are produced with legal right or authority granted by the legally authorized source.
- 4.3. Suppliers must ensure that information such as the current design authority, original manufacturer, trademark or other intellectual property, performance, unique item identifier, part number, date code, lot number, testing methods and results, inspection, documentation, warranty, origin, ownership history, packaging, storage, handling, physical condition, previous use, etc. is authentic and traceable.
- 4.4. Suppliers must ensure that appropriate controls are maintained to prevent counterfeit products and that they have processes for risk mitigation, disposition, and reporting in the event any counterfeit product is encountered in its supply chains. Their process for controlling products shall enable them to do the following:
 - a. Control excess and nonconforming product to prevent it from entering the supply chain under fraudulent circumstances.
 - b. Control/destroy any suspect or confirmed counterfeit products to preclude its use or reentry into the supply chain.
 - c. Establish a process to ensure the supply chain is not compromised by any product being returned.
- 4.5. Manufacturers/suppliers and their approved supply chain shall implement an effective returns process which segregates and assesses the returned items until validated as authentic and unused.
- 4.6. Detection of counterfeit product will be cause for suspension of business relations (pending an investigation) and reported, as appropriate, to internal organizations, customers, government reporting organizations, industry supported reporting programs, and criminal investigative authorities.
- 4.7. Suppliers shall flow this requirement down to all sub-tier suppliers to prevent the inadvertent use of counterfeit parts and materials.

Clause 5: Record Retention and Product Traceability

- 5.1. Suppliers should be capable of providing full traceability for the products being purchased, as stated in clause 4.2.
- 5.2. Suppliers shall maintain records regarding this purchase order, specifications, drawings, process requirements, inspection/verification instructions and other relevant technical data.
- 5.3. Records shall be maintained by the supplier for a minimum of 10 years or as specified by STABOND, after which the supplier agrees to either return or destroy related records.

Clause 6: Right of Access Requirement

- 6.1. Suppliers shall permit STABOND customers, regulatory agencies, and STABOND staff the right of access at the supplier's premises for surveillance or investigation in order to verify the quality of work, records and conformance of purchased products to specified requirements.
- 6.2. Suppliers shall make available all data reasonably requested by STABOND and/or STABOND's representative.

Clause 7: Changes

- 7.1. Unless otherwise stated, suppliers shall supply products that meet all requirements of the latest manufacturer's revision level.
- 7.2. Suppliers shall notify STABOND in writing within 48 hours of any changes to this purchase order.
- 7.3. Suppliers shall notify STABOND in writing immediately of any actual or potential delay to the performance of this Agreement.
- 7.4. Suppliers shall notify STABOND of product discontinuance at least 3 months in advance to give STABOND sufficient time to allocate supplies from an alternative supplier or to validate alternate products from the same supplier.
- 7.5. Suppliers shall notify STABOND of changes to products and services prior to accepting purchase orders, and must be approved prior to shipment and acceptance by STABOND's Quality and Purchasing Department.

Clause 8: Foreign Object Damage/Debris (FOD) Requirement

- 8.1. Suppliers shall establish, document, and maintain a program to control and prevent Foreign Object Damage/Debris (FOD) during the supplier's manufacturing, assembly, test, and inspection.
- 8.2. Delivered products must be clean and free from any material/debris, such as machined chips, burrs, grinding dust, forming materials, corrosion, oil and other foreign material on surfaces to prevent FOD entrapment.

Clause 9: Insurance Requirement

- 9.1. Suppliers shall accept financial responsibility for any product/service supplied to STABOND that does not conform to the terms and conditions stipulated in this Agreement for the remaining warranty of the product/service, allowing for a reasonable time period for STABOND to detect, quarantine, and confirm counterfeit or substandard product.
 - a. Suppliers shall secure and maintain insurance, providing coverage for liabilities to third parties for bodily injury (personal injury) and damage to property in amounts sufficient to protect STABOND in the event of such injury or damage arising from non-conformant products/services.

Clause 10: Compliance with Laws

- 10.1. Suppliers shall observe and comply with the requirements of all foreign, federal, state and local laws, regulations and ordinances relating to hazardous materials, including, without limitation, with respect to its accompanying information, packaging, labeling, transporting, reporting, and disposal.
- 10.2. All hazardous materials shall be accompanied by the manufacturer's Safety Data Sheets (SDS), which shall be in accordance with the Occupational Safety and Health Administration Hazard Communication Standard (29 CFR 1910.1200).
- 10.3. Supplier shall ensure, through verification and auditing of its supply chain when appropriate, that the products/services furnished to STABOND are produced/provided in accordance with all applicable laws regarding the elimination of slavery and human trafficking.
- 10.4. Supplier shall notify STABOND of any obligation under this Agreement, which is prohibited under any applicable environmental law, and/or any aspect of its performance which becomes (or which supplier reasonably believes will become) subject to additional environmental regulation during performance of this order, so that alternative methods can be implemented.
- 10.5. Suppliers shall ensure that each and every reportable chemical substance contained in the products supplied to STABOND under this agreement are not on the list of toxic chemical substances, compiled and published by the Administrator of the Environmental Protection Agency, pursuant to the Toxic Substances Control Act (P.L. 94-469), and do not pose any potential threat or danger.
- 10.6. Suppliers shall comply with ethical business practices and conform to the following legal codes of ethics, as may be applicable:

- a. FAR 52.203-13 “Contractor Code of Business Ethics and Conduct”
- b. FAR 52.222-21 “Prohibition of Segregated Facilities”
- c. FAR 52.222-26 “Equal Opportunity”
- d. FAR 52.222-35 “Equal Opportunities for Veterans”
- e. FAR 52.222-36 “Affirmative Action for Workers with Disabilities”
- f. FAR 52.222-37 “Employment Reports on Veterans”
- g. FAR 52.222-40 “Employee Rights under the National Labor Relations Act”
- h. FAR 52.222-41 “Service Contract Act of 1965”
- i. FAR 52.222-50 “Combating Trafficking in Persons”
- j. FAR 52.247-64 “Preference for Privately Owned U.S.-Flagged Commercial Vessels”

Clause 11: Confidentiality and Non-disclosure

- 11.1. Suppliers shall assure all confidential, non-public, trade secret, proprietary, commercially or personally sensitive, technical, business or financial information received and learned with connection with this Agreement (“Confidential Information”) is protected from unauthorized disclosure or transfer.
- 11.2. Suppliers shall agree to return and destroy all records of Confidential Information upon completion of this agreement, and provide proof of its destruction if instructed to do so by STABOND.

Clause 12: Flow Down to Sub-Tier Suppliers Requirement

- 12.1. Suppliers shall assure all purchase order requirements are flowed down to their sub-tier suppliers to make sure their sub-tier suppliers also comply with the same requirements specified on STABOND's purchase order.