

## Starn Tool Supplier Terms and Conditions

These Terms and Conditions ("T&Cs") govern all purchases and supply of materials, products, and services by the Supplier ("Supplier") to STARN TOOL & MANUFACTURING COMPANY ("Buyer").

### **1. Quality Management System (QMS) Requirements**

Supplier must maintain a QMS that complies with AS9100D/ISO9001:2015 standards or equivalent.

Supplier shall provide access to their QMS upon request, including documentation and audit findings, to verify compliance.

### **2. Traceability and Documentation**

Supplier must establish and maintain traceability for all materials, components, and products supplied to Buyer.

Records of material origins, processing, inspection, testing, and delivery must be retained by Supplier for a minimum of 7 years, or as otherwise agreed upon by Buyer.

Upon request, Supplier will provide records within 10 days.

Upon reaching retention date, Supplier is required to shred all pertinent documents.

### **3. Non-Conforming Product and Corrective Action**

Supplier must immediately notify Buyer of any non-conforming product discovered before shipment or during production.

If non-conformances are identified post-delivery, Supplier shall assist in investigation and corrective action.

Buyer shall create corrective action for any identified nonconformance post-delivery and notify supplier.

### **4. Counterfeit Product**

Supplier is responsible for prevention of counterfeit product. If Buyer identifies counterfeit product, product will be destroyed by Buyer and Buyer will not be responsible for damage or payment of counterfeit product.

Supplier will maintain a counterfeit program, made available to Buyer upon request.

## **5. Product and Process Changes**

Supplier agrees not to make any changes to the product, material, process, or sub-suppliers that could affect conformity to Buyer requirements without prior written approval.

Any approved changes must be documented and comply with traceability requirements.

## **6. Right of Access**

Buyer, its customers, and regulatory authorities shall have the right of access to Supplier's facilities and documentation related to the contract for the purpose of verifying compliance.

## **7. Material and Component Control**

Supplier must provide material certifications and other relevant documentation proving compliance with agreed-upon specifications and applicable regulatory requirements.

Supplier must have processes to prevent the introduction of counterfeit parts.

## **8. Inspection and Testing**

Supplier must perform all required inspections and tests and provide documentation certifying that all items conform to the contractual requirements.

Buyer reserves the right to inspect goods at Supplier's premises and/or upon delivery to verify compliance.

## **9. Flow-Down of Requirements**

Supplier must flow down applicable requirements to any sub-tier suppliers or subcontractors.

Supplier is responsible for ensuring that sub-tier suppliers meet requirements and that they provide all necessary documentation and certifications.

In the event that this Purchase Order is in support of a DPAS rated order certified for National Defense use, the DPAS rating and contract number (if available) will be flowed down on the purchase order from Starn Tool. In the event that this P.O. is in support of a DPAS rated order certified for National Defense use, the supplier shall follow all requirements of the Defense Priorities and Allocation System Regulation (15CFR 700).

Cybersecurity:

The Supplier is required to comply with DFARS 252.204-7012 and DFARS 252.204-7020, ensuring the safeguarding of Covered Defense Information (CDI) and/or Controlled Unclassified Information (CUI) in accordance with NIST SP 800-171. The Supplier must implement appropriate security measures to protect CDI/CUI from unauthorized access, disclosure, or destruction. In the event of a cyber incident impacting CDI/CUI, the Supplier must report it promptly to Starn Tool and the DoD Cyber Crime Center (DC3), as appropriate.

The Supplier must ensure all systems storing, processing, or transmitting CDI/CUI, including manufacturing facilities, have adequate cybersecurity protections in place. The Supplier is also responsible for maintaining an Incident Response Plan, and cooperating with audits or reviews as necessary. If applicable, the Supplier shall assess its compliance with NIST SP 800-171 via a Self-Assessment Score and submit to the DoD's Supplier Performance Risk System (SPRS).

This clause applies to any subcontractors with access to CDI/CUI, who must also comply with these requirements. Any modifications to this Purchase Order to reflect changes in the cybersecurity and/or CDI/CUI requirements will be communicated promptly.

## **10. Confidentiality**

Supplier must treat all proprietary or confidential information provided by Buyer as confidential and shall not disclose it to any third parties without Buyer's consent.

## **11. Performance and Continuous Improvement**

Supplier must monitor and manage performance, including on-time delivery and quality rates, and implement continuous improvement initiatives as necessary.

Buyer will monitor and manage performance, including on-time delivery and quality.

If supplier receives 1 corrective action (3 quality issues) within a 6-month period, OR an on-time delivery performance of less than 70% has occurred for three consecutive months, supplier shall be considered conditional for use until improvements have been made and verified.

If supplier receives 3 corrective actions (9 quality issues) within a 6-month period, OR an on-time delivery performance of less than 70% has occurred for six consecutive months, supplier shall be considered inactive.

Supplier will not be reactivated in buyer's system until an appropriate amount of time has passed and proof of corrections from supplier can be verified.

Supplier performance results shall be made available quarterly.

## **12. Supplier Contribution to Product Conformity**

Supplier shall be fully responsible for ensuring that all Goods provided under the purchase order conform to the specifications, drawings, standards, and other requirements specified by Buyer. Supplier guarantees that all products will meet the applicable regulatory, safety, and quality standards.

## **13. Product Safety and Ethical Conduct**

Supplier must implement measures to ensure product safety and maintain ethical conduct in all manufacturing, handling, and distribution processes.

Supplier agrees to conduct its business with Buyer in a manner that reflects the highest standards of ethical conduct. Supplier shall uphold integrity, fairness, and transparency in all transactions, ensuring compliance with all applicable laws, regulations, and international standards.

Supplier shall comply with all local, national, and international laws, regulations, and standards, including but not limited to anti-bribery, anti-corruption, labor laws, environmental regulations, and export controls. This includes adherence to laws governing the prevention of money laundering, unethical business practices, and intellectual property protection.

## **14. Counterfeit Parts Prevention**

Supplier shall ensure that only genuine and authorized parts are used in the manufacturing of Goods. Supplier is responsible for preventing counterfeit parts from being used in production or delivered to Buyer. This includes all parts, materials, components, and assemblies used in the manufacture of Goods, whether sourced from Supplier or their sub-tier supplier. If counterfeit parts are identified Supplier shall provide Buyer with a corrective action report detailing the investigation, root cause analysis, and steps taken to resolve the issue.

## **15. Calibration**

Supplier shall ensure that all measurement, inspection, and test equipment used in the manufacturing, inspection, or testing of Goods is calibrated to recognized national or international standards (e.g., ISO/IEC 17025 or equivalent). The equipment must be calibrated at regular intervals, in accordance with the manufacturer's recommendations, or as defined by Buyer requirements, whichever is more stringent.

## **16. Liability and Indemnity**

Supplier agrees to indemnify and hold Buyer harmless against any damages, claims, or costs arising from non-conforming products or failure to comply with these T&Cs.

**17. Termination**

Buyer reserves the right to terminate this agreement if Supplier fails to meet any requirements stated in these T&Cs or fails to maintain compliance.

<b>Revision History:</b>			
<b>Rev:</b>	<b>Changes:</b>	<b>Changed by/date:</b>	<b>Approved by/date:</b>
-	Creation of Document to align with Stage 1 AS9100D audit results	W. Peterman 10/31/24	W. Peterman 10/31/24
2	Updated to reflect Stage 2 results	M. Woodrow/ W. Peterman 12/23/2024	W. Peterman 12/23/2024
3	Additional Updates to reflect Stage 2 Results	W. Peterman 1/29/2025	W. Peterman 1/29/2025
4	Addition of Cyber Security Flowdown	W. Peterman 3/27/2025	W. Peterman 3/27/2025