

## Supplier Quality Requirements

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| QAT001, rev. 2                                   | Document # PUP007 | Rev. 3                                     | Approval Date: 06-May-2022   | Page 1 of 16 |
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## 1 PURPOSE

The purpose of this Supplier Quality Requirements (SQR) is to specify SEI-ID Quality System requirements for our Suppliers, supplemental to the SEI Identification Solutions Ltd (hereafter referred to as SEI-ID) Standard terms and conditions of purchase. (Document Ref: 2017-10-General Terms-Condition-of-Purchase).

These requirements extend from Supplier qualification, to new product development, to serial production, and to service. It should be understood the requirements noted within this SQR reflect SEI-ID requirements that shall be “Customer Specific Requirements” for the purposes of Quality System conformance and audit purposes. Suppliers shall comply with all purchase order requirements and flow down any applicable requirements to their Suppliers/Sub-contractors.

## 2 SCOPE/REQUIREMENTS

The requirements in this document are to provide our supply base with the guidelines that has been established for Purchasing, Shipping and Quality for Purchase Orders issued to Supplier. The purchase order together with any attachments specifically incorporated or referenced on the purchase order along with the General Terms and Conditions (PUA001) (The “Agreement”) constitutes the entire understanding between and among parties and supersedes any prior understandings and agreements among them respecting the subject matter of this agreement.

### 2.1 Customer specific requirements flow-down to supplier

The expectations and requirements mentioned in this document are for general information purpose only.

However, for some specific suppliers, SEI-ID will be required to flow down to the Supplier specific requirements received from the customer which are determined using internal document (PUF010), these must be complied with as per the flow down of requirements document (PUF009) that will be sent to the supplier before any purchase orders are made with the supplier as described in the diagram shown in Figure 1.

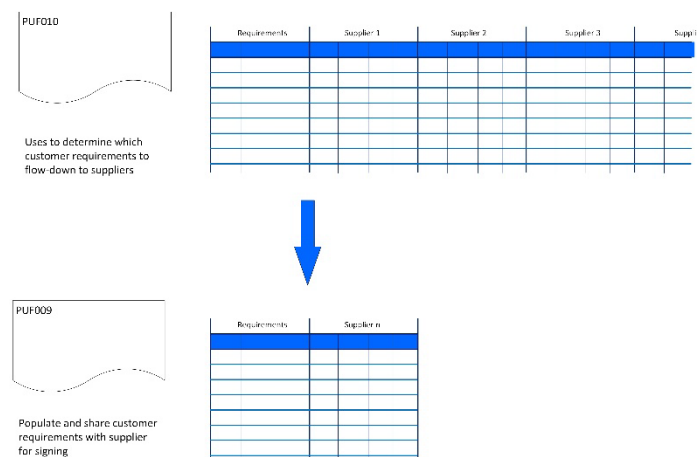


Figure 1- Customer Requirements flow-down to suppliers

This PUF009 document must be read and understood by the supplier with approval signature requested to indicate the supplier will adhere to these requirements when receiving any purchase orders from SEI-ID, now and in the future.

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### 2.2 Quality System Requirements

The Supplier shall be BS EN9100, BS EN9120 or ISO9001 at minimum, certified by a recognised accredited body. Where the Supplier does not have accreditations, they shall have a documented Quality Management System (QMS) in place that follows the basic quality principles as expressed in the ISO9001 standard. SEI-ID will request proof of valid certification and demonstration of a documented QMS.

### 2.3 Quality Assurance Plan

SEI-ID is authorised to request from its Supplier the provision of Quality plans for the product expected to be purchased. This Quality plan will cover all the means based specifically on Advanced Product Quality Planning (APQP) for process qualification. This provision requirement will incorporate process, product, service, or contract to work methods and practices. The Supplier shall implement all necessary quality controls to ensure that the product or service meets the agreed specifications and will go under formal SEI-ID Quality approval.

### 2.4 Inspection / Acceptance and Quality Control

All goods and/or services are subject to inspection and acceptance at SEI-ID and ultimate destination, not withstanding any prior payment or inspection and acceptance. SEI-ID will immediately notify the Supplier of any delivery shortage, defect, damage, delivery test failure, or any other non-conformance. Following defective or incorrect delivery, the cost for returning and/or replacing product, refunding goods not replaced, sorting, reworking, increased inspection and/or testing, regardless where the discrepancy is discovered will be at the Supplier's expense. The Supplier agrees to provide immediate attention in resolving any non-conforming goods or service promptly to the satisfaction of SEI-ID.

**Note:**

*IT system and IT support suppliers are excluded of the supplier assessment because not directly impacting products quality.*

A detailed Root Cause Analysis (RCA) response must be provided to SEI-ID Quality Department for approval no later than the time as detail in section 2.16. The RCA form from the Supplier shall detail the all the actions taken to resolve the issues raised, to eliminate further non-conformances, and to lead to permanent Quality improvements. Escalation actions will be taken by SEI-ID on overdue responses.

The Supplier is cautioned to examine totally and carefully all referenced documentation describing the goods and/or services, the quality, the records, and the controls that are required for adequate conformance. Unless otherwise expressly waived by SEI-ID in writing, the Supplier shall comply with all of the requirements of this Agreement specified and/or referenced herein, as well as any other supplemental requirements specified on the Purchase Order. All supplied paperwork (certifications, shipping papers, etc.) must all reference back to the Purchase Order number, regardless of origin of paperwork. The Supplier must tie all paperwork together by referencing the relevant Purchase Order number.

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### 2.5 Access to Facilities

The Supplier guarantees the right of access to SEI-ID to their facilities to review quality related data and operational procedures applicable to SEI-ID PO's, including SEI-ID's customers and European Aviation Safety Authorities (EASA) to make investigations, necessary to determine compliance of the Goods and processes with requirements of the contract. The investigations may include audits, enquiries, questions, discussions and explanations, monitoring, witnessing, inspections, and checks. The Supplier shall also give positive assistance in supporting quality audits, industrial maturity assessments (capacity & capability) and Non-Conformity Records (NCR) management to satisfy SEI-ID and its customer's requirements.

The access right will also apply for any unannounced audit performed by SEI-ID Quality Department, SEI-ID's customer, or regulatory authorities.

Arrangements in this regard will be made by SEI-ID's Supply Chain and/or Quality Department and upon a customer request as and when required.

### 2.6 Supplier Approval

SEI-ID aims to consult with Supplier to obtain information to source a Product/Service which consistently meets standards of acceptability for technical, quality and price considerations. The Supplier's approval as a new Supplier to SEI-ID is dependent upon a satisfactory Supplier evaluation. Considerations are based on quality and risks to purchase and successful demonstration of providing evidence in technical, quality, operational, qualification and control of the Sub-Tiers' activities as required in section 2.2.

### 2.7 Assessment & Audit Results

The effective monitoring of Sub-Tiers' performance plays a vital role in ensuring that Supplier consistently meet SEI-ID's requirements. This is achieved by annual monitoring of a Supplier's performance to deliver goods on-time in full (OTIF) consistently, and that the quality of parts or materials is right first time (RFT) and fit for purpose. SEI-ID will carry out Supplier assessments and audits, according to the schedule at the Supplier's facility wherever possible. Assessments may be requested of Supplier if recent performance of supplied goods has been showing a negative trend on the quarterly Supplier scorecards.

### 2.8 Supplier Quality Delivery Measurement

SEI-ID expects all Supplier to maintain high performance ratings for our delivery & quality related metrics. The performance results will be shared with the Supplier on the Supplier Scorecards described later in this document and produced by SEI-ID based on the following measurements.

#### D1 - Customer on time in full (SOTIF) – Target >98.5%

$$OTIF = \frac{\text{Number of orders shipped to SEID for month}}{\text{Number of orders shipped late to SEID for month}} * 100 = \%$$

#### D2 - Depth of delay – Target <5 days

$$DoD = \frac{\text{Number of days late for all shipments to SEID for month}}{\text{Number of shipments to SEID for month}} = \text{days}$$

#### R1 – Parts per million defects <50PPM

$$PPM = \frac{\text{Number of defective parts shipped to SEID for month}}{\text{Number of parts shipped to SEID for month}} * 100 = \text{ppm}$$

#### Note:

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*Look at sampling plan for ranking Supplier based on defective deliveries*

### R2 – Customer quality notifications – Target <0.5%

$$CQN = \frac{\text{Number of quality complaints for month}}{\text{Number of orders shipped for month}} * 100 = \%$$

### Scorecard

|                                    |   |
|------------------------------------|---|
| Diamond = 100% Overall Performance |  |
| Gold = >90% Overall Performance    |  |
| Silver = >80% Overall Performance  |  |
| Bronze = >70% Overall performance  |  |
| Red = <70% Overall Performance     |  |

Maintaining of approval status is subject to ongoing satisfactory performance in terms of total quality with regards to Product/Services provided (Document number: AEPL V2022 V10.0).

The Supplier shall disseminate the SEI-ID quality requirements to its own Supply Chain (Sub-Tiers) including any SEI-ID specific requirements as specified on the SEI-ID purchase order (PO).

Supplier RATINGS for delivery and quality are measured to provide a trend performance overview.

## 2.9 Supplier Performance Improvement

If a performance metric falls below any of the minimum levels, the Supplier must investigate and implement an improvement plan with corrective measures. A copy of the improvement plan/corrective actions should be forwarded to the SEI-ID Quality Department within 5 working days of receiving your scorecard.

SEI-ID will monitor Supplier performance improvement actions to ensure attention is focussed on addressing non-conformances in an agreed time frame, and work with the Supplier to improve their performance. Supplier will be subject to an escalation process if Supplier response is consistently unacceptable, and this will consequently lead to Supplier audit.

### Escalations

| Supplier Performance Monitoring Status     | Supplier Performance Status               |
|--|---|
| No Remedial Actions Required / In progress | L0 - Satisfactory Performance             |
| Escalation Process – Level 1               | L1 - Remedial Action Required             |
| Escalation Process – Level 2               | L2 - Significant Remedial Action Required |
| Escalation Process – Level 3               | L3 - Unacceptably Performing Supplier     |

The Supplier shall also provide SEI-ID upon request results of its metrics regarding performance versus objectives if:

- ◆ performance levels are unsatisfactory and request demonstration that RCA is being applied
- ◆ a condition presents itself which impacts quality or delivery.

In any of these cases the Supplier must present a recovery plan.

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Supplier development is key to SEI-ID in achieving its objectives of meeting its customer requirements and so it is necessary for Supplier to continuously improve. SEI-ID recognises Supplier partnerships are key in sharing knowledge and improving relationships to meet final customer expectations. Visibility into Supplier improvements is a requirement which enables SEI-ID to support and guide increased performance in the quality and delivery improvement.

### 2.10 Notification of Product Quality Escape

In the event of the Supplier identifying or becoming aware of any nonconforming goods and/or service that has escaped from the Sub-Tiers' facility and is on the way to be delivered to SEI-ID, the Supplier shall provide a written Notification of Quality Escape ("NOQE"), via completing Supplier Notification form (PUF001) selecting ("NOQE") category and inform a SEI-ID Supply Chain representative immediately. NOE must include a clear and concise description of the discrepancy which details as a minimum:

- ◆ Purchase Order numbers,
- ◆ Part numbers,
- ◆ Quantity of nonconforming parts and description as well as the date on which such nonconforming goods and/or services were delivered to SEI-ID,
- ◆ Date of manufacture,
- ◆ Traceability information (such as serial numbers, lot numbers, batch numbers, lot, date code, etc.),
- ◆ All test/inspection documentation data, and any information regarding rejection and containment actions taken by the Sub-Tiers.

Additionally, evidence of immediate corrective actions/containment actions taken by Supplier as well as the root cause shall be kept on file and available to SEI-ID upon request along with additional information supporting Supplier's internal investigation.

### 2.11 Early Warning

The requirements of Early Warning Notification are applicable to all Supplier that furnish product, material, processes, or product related services to SEI-ID as a contractual requirement regardless of Supplier's industry, regulatory accreditation, or certification status. Each Supplier is responsible for ensuring that the whole of its own Suppliers comply with the Early Warning Notification requirements set forth herein, ensuring a constant dialogue and constant state of preparedness so that early warnings are communicated and dealt with.

Early Warning Notification categories are;

- ◆ Notification of Quality Escape (NOQE)
- ◆ Suspect Unapproved Part (SUP)
- ◆ Counterfeit Part (CP)

Supplier requirements are:

- ◆ Communicate with SEI-ID if an Early Warning event arises.
- ◆ Complete the Supplier Notification form (PUF001).
- ◆ Are responsible for cascading Early Warning notification to sub-tiers.

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### 2.12 Suspect Unapproved/Counterfeit Parts

To satisfy SEI-ID requirements, the Supplier will have processes to evaluate and select its own Suppliers, approve material or parts prior to purchasing and to monitor purchased items against delivered items preventing delivery of Suspect Unapproved Parts or Counterfeit Parts. Supplier must inform SEI-ID in case of identification of any of these cases on its own Supply Chain.

#### Definition

- ◆ Suspect Unapproved Parts:  
Identify a material or part that is suspected of failing to meet any of the criteria specified in the purchasing or flow down of requirements and is misrepresented as meeting requirements,
- ◆ Counterfeit Parts:  
Identify any deliberately misrepresented parts or materials as being designed and produced under an approved Supplier or management system.

The Supplier shall notify SEI-ID immediately of any suspect or counterfeit activities, known or identified at the time of supply, or thereafter, including but not limited to:

- ◆ Falsified records, documents or reports and certificates,
- ◆ Any product substitution, in full or part, during the manufacturing process,
- ◆ Any supply of goods from an unknown, or unauthorised origin,
- ◆ The supply of goods without full traceability and/or authenticity.

When a potential delivery issue and/or 'non-conformance' is determined to exist or is suspected to exist on goods and/or services at a Supplier. The Supplier shall organise the completion of the Supplier Notification form (PUF001) and immediately inform a SEI-ID Supply Chain representative, submitting the completed form defined in the purchase order.

### 2.13 Management of Unsalvageable Items

The Supplier must implement an 'Unsalvageable Items Management' process through purchasing and stock, controlling activities where non-conformities are identified, or parts or materials conditions are deemed 'out of date' or do not conform to its approved design.

Nonconforming parts and material must be segregated and disposed of in a manner which prevents them from being supplied to SEI-ID proactively and so addressing risks for unsalvageable items to be returned to service.

### 2.14 Documentation, Identification & Traceability, Retention

#### 2.14.1 Documentation

Suppliers are expected to provide any documentation with the delivery of the product accompanying the delivery note. The documentation may include items such as:

- ◆ Test Reports,
- ◆ Certifications or Certificate of Conformity,
- ◆ Hazardous or Banned substances information,
- ◆ PPAP,
- ◆ FAI,
- ◆ Shelf life,



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- ◆ Storage conditions,
- ◆ Material Safety Data Sheets (MSDS/SDS).

This list is not exhaustive and from time-to-time SEI-ID may request additional documentation to support our customer's requirements.

**NOTE:**

*When supporting documentation is required, this will be clearly stated on our purchase order.*

### 2.14.2 Identification & Traceability

The Supplier shall demonstrate through its organisation, people management and from its own Suppliers, that full traceability can be ensured with regards to:

- ◆ Purchasing, receiving, storing, or processing raw materials,
- ◆ Manufacturing process,
- ◆ Finished goods delivery, and that records are retained, complete and up to date for all histories, all batches or lot numbers of purchased parts and raw materials supplied to SEI-ID.

### 2.14.3 Retention

The Supplier will maintain a records list which indicates the records being maintained by process, record type, identification, retention period, and maintain records in a secure storage location which are retrievable. Specific retention period records for Aerospace are 30 years life of product (LOP) and is specifically mentioned on the purchase order. Records include:

- ◆ Design Verifications (LOP),
- ◆ Design Reviews (LOP),
- ◆ Traceable Parts/Materials (Serial or Batch Numbers) (LOP),
- ◆ Procurement Sources (LOP),
- ◆ Manufacturing records (Work Order/Route Card) (LOP),
- ◆ Engineering Change Requests (ECR)(LOP),
- ◆ Inspection, Test & Certification Records, records of FAI (LOP),
- ◆ Nonconformance records, deviations, concessions waiver, quality audits, assessments, and investigations (LOP),
- ◆ Corrective action records, investigation data, occurrences of nonconformity and corrective actions effectiveness (LOP).

SEI-ID Supplier audit process will be used to review records for appropriateness of the records being maintained, their identification, retention period and retrievability to ascertain quality management continuing suitability, adequacy, and effectiveness.

## 2.15 Foreign Object Prevention

SEI-ID expects its Supplier to have established general workmanship practices and house-keeping standards with regular inspections to prevent any contamination of its products. Foreign Object Prevention (FOP) must be implemented via continuous improvement activities which include but are not limited to the following:

- ◆ Good housekeeping and 5S practices (Area, Machines, Equipment, Surfaces),
- ◆ Tooling and equipment organisation “Everything Has a Place, Everything in Its Place”,
- ◆ Material Handling & Parts Protection.



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### 2.16 Product Safety

The Supplier should assess hazards and associated risks to harm of persons or damage to products and property through pre-emptive methods such as cause and effect (6M Method) and address product safety considerations throughout the product lifecycle. Raising awareness approach includes and is not limited to the following:

- Man:** Ensure employees are properly trained and conscious,
- Machine:** Machines and equipment are being maintained,
- Materials:** Supplier stability, handling requirements,
- Method:** Safe effective methods are evaluated, prescribed, and followed,
- Measurement:** Correct results are obtained from methods, machines,
- Environment:** Premises prevention of industrial accidents. Fire protection and occupational safety regarding safe working environment. (Lighting, Temperature, Ergonomics, Hygiene, Construction).

### 2.17 Problem Solving

Supplier will be sent notification for all non-conformance incidents. Should any significant incidents (as defined by SEI-ID) occur in either the delivery, quality or service of the product, SEI-ID shall request the triggering of a structured root cause analysis (RCA), requesting a formal corrective action response.

Containment actions are required within 24 hours or less. Where specifically requested RCA processes must be an 8D or 9S process and must be complied with. Other RCA processes are acceptable if approved by SEI-ID prior to their use.

The Supplier shall undertake to respond formally to the completion date of the RCA process after receipt of the non-conformance within 5 days.

### 2.18 First Article Inspection (FAI)

First Article Inspection (FAI) and/or delivery test reports can be requested through the purchase order identifying Supplier requirements to be conducted and validated by SEI-ID to ensure that products produced and supplied to SEI-ID are manufactured in a safe, reliable, and repeatable controlled process.

### 2.19 Production Demand

To ensure visibility and flexibility from Supplier, SEI-ID will provide a rolling demand forecast, that is reviewed on a monthly basis to help suppliers arranging parts or materials in anticipating orders to manage its production.

The Supplier shall maintain an inventory of raw materials and parts necessary to manufacture products or supply materials in accordance with the forecasts and shall provide SEI-ID with monthly updates on the extent of such inventory when requested.

The forecast shall impose a binding commitment for the Supplier to supply SEI-ID the following quantities of product:

- ◆ 100% of the amount stated in the 1st quarter of the forecast,
- ◆ +/- 20% of the amount stated in the 2d quarter of the forecast,
- ◆ +/-50% of the amount stated in the 3d quarter of the forecast,
- ◆ the 4th quarter of the forecast shall be a good-faith estimate.

If suppliers encounter difficulties in meeting any forecast quantity, SEI-ID shall be made aware of this during the monthly review with details of the expected shortfall, causes of the shortfall and discussion will be set-up to review all appropriate means of resolving the problem and deciding a recovery plan.

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### 2.20 Planning & Capacity Management

The Supplier shall demonstrate the consistency of its capacity management with its production planning activities throughout its production management systems and shall provide SEI-ID's Supply Chain representative with its processes to manage capacity.

Requirements include:

- ◆ Resource Requirements Planning (RRP),
- ◆ Rough Cut Capacity Planning (RCCP),
- ◆ Capacity Requirement Planning (CRP).

Alternatives can be presented (e.g. aggregation of RCCP and CRP) and provide evidence the Supplier demonstrates the relevance of its solution at an operational level.

### 2.21 Industrial Change and Product Obsolescence

SEI-ID shall be notified immediately using the Supplier change notification form (PUF005) detailing any changes to products and/or process/service definition or product end of life, and written approval shall be obtained from SEI-ID before delivery of the product/service.

Depending on the nature of change, for example where tooling, machinery or work methods have changed, SEI-ID requests detailed information regarding trials, test reports and evidence of any schedules of changes and their results.

The approval of the change by SEI-ID does not constitute a waiver to the contractual requirement.

Further SEI-ID information about change could include the following:

- ◆ Supplier business address,
- ◆ Quality Systems or Procedures,
- ◆ Organisation changes in the appointment of any key personnel,
- ◆ Obsolescence management.

Any change which results in a variation to the price or other conditions shall be formally approved by SEI-ID's Supply Chain & Operations Manager and confirmed via a PO amendment before such changes are implemented.

### 2.22 Product obsolescence

The Supplier shall provide a SEI-ID Supply Chain representative with any supporting documentation relating to any planned/unplanned obsolescence of parts or materials being supplied.

This documentation must include:

- ◆ Demand rate / Consumption rate,
- ◆ Any outstanding notices such as PCN's,
- ◆ Storage life of items & cost of storage,
- ◆ Description of product affected if planned, including reference numbers e.g. part number/specification,
- ◆ Any planned product substitution or alternative to ensure continuation of supply,
- ◆ Samples and pricing for evaluation/testing by SEID and its customers.

**NOTE:**

*SEI-ID requires a minimum notice period of 90 days for any product obsolescence activities.*

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### 2.23 Supplier Compliance

In accordance with SEI-ID's Quality Management System standards EN9100, EN9120 and obligations to its customers, SEI-ID will perform necessary Supplier requirements surveillance. SEI-ID expects permanent compliance to be reached, maintained, and checked with regards to its requirements being flowed down.

Supplier requirements surveillance is necessary to:

- ◆ Ensure that the Supplier processes are robust enough to design and manufacture,
- ◆ Ensure current product (or services) delivery and future expected deliveries (on time and on quality).

### 2.24 Identification & Marking

#### Packing Slip Requirements

The Supplier must provide packing slips accompanying the goods delivered to SEI-ID including the following information:

- ◆ SEI-ID purchase order number,
- ◆ SEI-ID item number,
- ◆ Item Description,
- ◆ Quantity + Any back orders (in SEI-ID's Unit of Measure),
- ◆ Attention to any information as stated on purchase order,
- ◆ Supplier lot number.

#### Packaging/ Label Requirements

The Supplier must provide the following information on boxes or packaging provided and must ensure packaging is non-hazardous, properly cushioned, sealed & requirements to sensitivity is included such as sensitivity to moisture:

- ◆ SEI-ID purchase order number (bar-coded, code 39),
- ◆ Sumitomo's item number (if applicable),
- ◆ Items Content Description,
- ◆ Quantity (in SEI-ID's Unit of Measure) (bar-coded, code 39),
- ◆ Supplier lot number (if applicable, bar-coded code 39).

#### Certification of Conformance Requirements

The Supplier must provide the following information on the certificate of Conformance when requested on the purchase order:

- ◆ SEI-ID purchase order number,
- ◆ SEI-ID item number,
- ◆ Description of Item(s) being certified,
- ◆ Supplier batch or lot number,
- ◆ Supplier part number,
- ◆ Quality Management System Reference.

#### Test Report Requirements

The Supplier must provide the following information on the test report when requested on the purchase order:

## Supplier Quality Requirements

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- ◆ SEI-ID purchase order number,
- ◆ Product Identification,
- ◆ Supplier batch or lot number,
- ◆ Test methods, test standards used and tests result,
- ◆ Any relevant information on inspection and testing data.

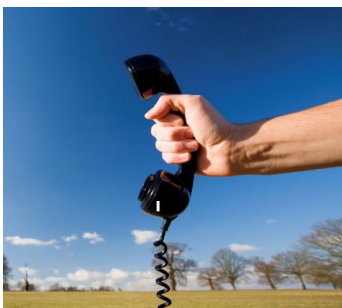
### 2.25 Whistle Blowing

Sumitomo Electric Group has been engaged in the process of strengthening its compliance system across the entire Group. In order to reinforce that work, the following external contact has been established as the common communication point for compliance-related tip-offs and reports from both within and outside the companies of Sumitomo Electric Group worldwide.

In the course of conducting business with our company, if you become aware of any actions on our part which violate the law or contravene corporate ethics or any suspicions of those, they can be reported to the following external contact point as well as being notified to us directly. Information communicated to this external contact point will be passed directly to the office of the Compliance Committee of our parent company, Sumitomo Electric Industries, whereupon that office, in conjunction with any appropriate parties, will conduct an investigation and take the necessary measures.

#### External Points of Contact:

Company Headquarters Hotline (Japan): jubao-zhonggou@info.sei.co.jp



**CONTACT NAVEX GLOBAL, 24/7 ON**  
**Phone: 0808 2344486**  
**Web: <http://sei.ethicspoint.com>**



**SUMITOMO ELECTRIC GROUP**

- ◆ All information related to tip-offs and reports, including information regarding the party making the report, the business for which he/she works, the contents of the report, the results of any related investigations or measures enacted, etc., are handled exclusively by the above-mentioned party, and are only disclosed to parties directly concerned with conducting an investigation into the related matter and implementing appropriate measures, as per necessity.
- ◆ In terms of dealings with our company, the making of a report shall not result in any disadvantage whatsoever to the person making the report or any business for which he/she works (with the exception of reports submitted for unfair or dishonest purposes).
- ◆ When making a report, please indicate at the outset that “This is a report related to SEI Identification Solutions Ltd”.
- ◆ Reports may be submitted anonymously. However, please be aware that, in such cases, the scope of the investigation or measures taken by the related parties may be limited, and furthermore, it will not be possible to communicate the results of any investigation or measures taken to the reporting party.

## Supplier Quality Requirements

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SEI-ID and its Supplier acknowledge that misconduct should be reported in real-name wherever possible. In case of an anonymous report, the reporter shall provide contact information. Report shall include clear facts and provide related evidence or clues to such evidence. All reports will be kept confidential by the company headquarters in Japan, and no information of reporters will be provided to SEI-ID. Provided the reported misconduct is proved to be true, the person making the report could be mitigated or exempted from liability or punishment. If any employee(s) or Supplier(s) who is suspected of misconduct could report the misconduct of others and proved to be true, such employee(s) or Suppliers(s) could be mitigated or exempted from liability or punishment.

Misconduct includes but is not limited to:

- ◆ Company employee(s), relative person(s), or associated person(s) accepting cash, gifts, or shopping cards;
- ◆ Company employee(s), relative person(s), or associated person(s) appointing or asking for any cash, gifts, or shopping cards;
- ◆ Any loans between Company employee(s), relative person(s), or associated person(s) and Supplier(s);
- ◆ Company employee(s), relative person(s), or associated person(s) selling or letting estates, vehicles, and other Company properties at high price, and buying or renting any counterparts at low price from the Supplier(s) and/ or Sub-Tier(s);
- ◆ Company employee(s), relative person(s), or associated person(s) require or accept receiving payment by falsely claiming arranging jobs for relatives or friends;
- ◆ Company employee(s), relative person(s), or associated person(s) directly or indirectly invest in the Undersigned, including holding shares, receiving profit by holding shares indirectly, or investing joint venture;
- ◆ In situations where Company employee(s), relative person(s), or associated person(s) entrust the Undersigned with investment of security, futures, gold, or foreign exchanges, receiving profit without actual investment, or receiving un-reasonable high profit compared to the actual investment;
- ◆ Company employee(s) is hired by the Undersigned;
- ◆ Company employee(s), relative person(s), or associated person(s) is hired by the Undersigned and not declared to Company;
- ◆ Company employee(s), relative person(s), or associated person(s) receive rebates or commissions by introducing the Undersigned to trade with department(s) controlled by him/her;
- ◆ Procurement at un-reasonable high price operated by Company employee(s);
- ◆ Corruption, embezzlement, theft by Company employee(s), relative person(s), or associated person(s);
- ◆ Company employee(s), relative person(s), or associated person(s) asking for any property by taking the advantage of the position;
- ◆ Company employee(s), relative person(s), or associated person(s) conduct any of the above in the name of or by cooperating with a third party (including natural and legal person);
- ◆ Requirement of any undue business structure by Company employee(s).

Liabilities:

The Undersigned and/or its employee(s)'s breach of any articles under this Undertaking shall be deemed as a material breach of the relevant transaction agreement between the Undersigned and Company. Upon such occurrences, Company has the right to:

- ◆ Terminate or cancel any transaction agreement between the Undersigned and Company without incurring any liability;
- ◆ Require the Supplier indemnify, defend, and hold harmless Company from and against all damages and loss of profits thus incurred;

## Supplier Quality Requirements

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- ◆ Offset any account payable and/or abovementioned suspended payments in this Section to the Undersigned against any of the liquidated damages above and/or penalties after confirmed by Company.

### Definitions:

- ◆ Related Person means spouse, direct blood relatives, collateral relatives within three generations;
- ◆ Associated Persons means friends closely related to Company Employee(s) and/or enterprises directly controlled or managed as a high-level manager by Company Employee(s), related persons and friends as specified herein.
- ◆ Affiliate means any business entity in any form that directly or indirectly controls another business entity, is controlled by another business entity or is under common control with a business entity or has common legal representative or common majority shareholder.

## 2.26 Service Providers

### Quote Information Requirements

The Supplier shall provide the following information when quotations are requested:

- ◆ Item Number,
- ◆ Description,
- ◆ Minimum order quantity,
- ◆ Packaging quantities,
- ◆ Lead time,
- ◆ Country of Origin,
- ◆ If the product is being imported to the UK, who is the importer on record,
- ◆ Shipping Terms,
- ◆ Effective Dates.

### Invoice Requirements

The Supplier shall present the following information and send all invoices to SEI-ID accounts payable: (Barbora.adams@sei-id.com):

- ◆ SEI-ID purchase order number,
- ◆ SEI-ID item number (if applicable),
- ◆ Description,
- ◆ Quantity +Any back orders (in SEID's Unit of Measure),
- ◆ Supplier part number,
- ◆ Supplier Phone number & Email.

### Shipments Imported to the UK

Where SEI-ID is the importer on record, consignments must contain, at a minimum, the following, and all documents must indicate the UK as the final destination. The items listed below must be provided or release of shipments could be delayed by Customs and possibly rejected.

**Information on the Packing Slip must accompany each delivery to SEI-ID:**

## Supplier Quality Requirements

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- ◆ SEI-ID purchase order number,
- ◆ SEI-ID item number (if applicable),
- ◆ Description,
- ◆ Quantity per line item (in SEI-ID's Unit of Measure),
- ◆ What box number each line item is in,
- ◆ Total number of boxes in shipment,
- ◆ Dimensions of shipment,
- ◆ Final delivery address,
- ◆ Attention to as stated on purchase order,
- ◆ Supplier lot number (if applicable),
- ◆ The packing slip shall be inside the crate and the crate marked on the outside saying packing slip enclosed.

### Commercial Invoice

- ◆ SEI-ID purchase order number,
- ◆ SEI-ID item number (if applicable),
- ◆ Description,
- ◆ Quantity per line item (in SEI-ID's Unit of Measure),
- ◆ Unit price and extended price on each line,
- ◆ Total value of shipment,
- ◆ Country of origin,
- ◆ Terms of Sale.

### Note:

*If tooling or payments to tooling were provided by SEI-ID a statement must be included on the commercial invoice stating the tooling was provided for the purchased products.*

### Import Package

The import package must be emailed to SEI-ID Supply Chain Department prior to the arrival of the merchandise at the port of entry and include the following information:

- ◆ Packing List,
- ◆ Commercial Invoice,
- ◆ Airway Bill or Bill of Lading,
- ◆ Any certificates required for specific imports,

### Entry Package:

- ◆ This must be emailed to SEI-ID's Accounting Department by the importing Customs broker,
- ◆ Import Package,
- ◆ Any other shipping or release documents.



## Supplier Quality Requirements

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SEI Identification Solutions Ltd would like to thank our valued Supplier for their efforts and assistance in meeting our Supplier quality requirements. We look forward to continuing our partnership. If you have any questions or concerns regarding our expectations of Supplier, or other matters, please feel free to phone or email SEI-ID purchasing representative.

Acceptance by Undersigned:

Supplier Name: .....

Print Name : .....

Signature: .....

Title: .....

Date: .....

| Revision Log |  |              |
|--------------|--|--------------|
| Revision no. | Description of change  | Release date |
| 3            | Excluded IT and IT Support companies in section 2.4  | 06-May-2022  |
| 2            | Title changed from Supplier to Supplier Quality & addition of Flow-down requirements to Supplier in §2 | 21-May-2021  |