

QUALITY ASSURANCE CLAUSES

The quality assurance clauses contained herein is supplemental to all Gasket Specialties, Inc.'s purchase orders and is imposed on all suppliers by acceptance of the PO. Gasket Specialties, Inc. reserves the rights to revise, amend, or add to these clauses at any time. The following QA clauses are divided into two parts; Part A clauses apply to all Purchase Orders. Part B clauses are applicable only when cited on the Purchase Order.

PART A **(Required for All Purchase Orders)**

QA1: EXECUTIVE ORDER 13224

Supplier will adhere to the directions provided in Executive Order (EO) 13224, Executive Order On Terrorist Financing – Blocking property and prohibiting transactions with persons who commit, threaten to commit, or support terrorism, effective 09/24/2001 and any subsequent changes made to it. Supplier further agrees to include this requirement in low-tier purchase orders or subcontracts hereunder.

Ref: <http://www.ustreas.gov/offices/enforcement/ofac/sanctions/terrorism.html>

QA2: QUALITY SYSTEM

Supplier shall maintain a documented quality management system that complies with a recognized quality standard, and that is acceptable to Gasket Specialties, Inc. Suppliers that are certified to an appropriate higher level quality standard, (e.g. ISO-9001 or AS9100), are preferred.

QA3: RIGHT OF ENTRY AND REVIEW REQUIREMENT

During performance of Gasket Specialties, Inc.'s purchase orders, Seller's quality system, quality records, inspection system, manufacturing and inspection facilities are subject to review, verification and analysis by Gasket Specialties, Inc., authorized government representatives, or Gasket Specialties, Inc.'s customer. Government inspection or release of product before shipment is not required unless Seller is otherwise notified. The customer or the government has the right to inspect any or all of the work and/or all applicable records included in this purchase order at the Seller's plant. If at the premises of Seller, Seller without additional charge shall provide all reasonable facilities and assistance required for safe and convenient test and inspection. The forgoing shall not relieve Seller of its obligations to make full and adequate test and inspection.

The supplier shall include Right of Entry as a flow down requirement in all applicable subcontracts connected to Gasket Specialties, Inc. Purchase Orders. This provision shall allow the supplier, Gasket Specialties, Inc, Gasket Specialties customer, and any government or regulatory agencies to determine and verify the quality of work, records, and material at the subcontractor's facility.

QA4: FLOW DOWN REQUIREMENTS

The supplier shall have a process in place to flow down Gasket Specialties, Inc. requirements to all applicable direct and sub-tier external providers. The supplier shall ensure that any Gasket Specialties, Inc. requirements that are associated to items procured or processes outsourced in order to meet a Gasket Specialties purchase order are flowed down to all applicable sub-tier suppliers. The supplier shall ensure that the flow down to direct and sub-tier suppliers includes the applicable requirements in Gasket Specialties purchasing documents, including any key characteristics where required. The supplier shall ensure that flow down requirements includes the retention of associated records.

QA5: ETHICAL BEHAVIOR

It is the policy of Gasket Specialties, Inc. to uphold the highest standards of ethical, professional behavior in all our business transactions. The suppliers shall ensure equivalent ethical behavior in their business relations with Gasket Specialties, Inc. and shall flow down this requirement to all sub-tier suppliers, at any level of the supply chain.

QA6: CONFIDENTIALITY NOTIFICATION

Documents, emails, and verbal information furnished by Gasket Specialties, Inc. to the supplier are solely intended for the purpose of doing business with Gasket Specialties, Inc. These materials shall be controlled by the supplier and shall not be transmitted or disclosed to others without written consent from Gasket Specialties, Inc.

Documented information indicated as "ITAR Controlled" are subject to Export Control laws and may not be disclosed to any foreign persons or foreign commercial entities, including employees, consultants, subcontractors, or suppliers. The documented information will only be utilized in the fulfillment of GSI's purchase order. The supplier agrees to destroy or return all such documented information upon completion of the purchase order.

The supplier shall flow down these requirements to all direct and sub-tier suppliers that are used in the processing of Gasket Specialties, Inc. purchase orders.

QA7: RETENTION OF RECORDS

The supplier shall ensure that records produced in the fulfillment of Gasket Specialties, Inc. purchase orders are maintained to provide evidence of conformity to requirements. Records associated with Gasket Specialties purchase orders and their amendments, as well as records related to the manufacturing and inspection of the product, shall be maintained for 10 years from time of acceptance, unless otherwise specified in the contract.

Records associated with Gasket Specialties purchase orders shall be legible and reproducible, and shall be made available upon request by Gasket Specialties, Inc., Gasket Specialties customer, government or any regulatory agencies.

The supplier shall ensure that this record retention requirement is flowed down to all direct and sub-tier supplier that is used in the processing of Gasket Specialties, Inc. purchase orders.

QA8: CERTIFIED STATEMENT OF CONFORMANCE

A certified signed statement that material/parts/service conforms to applicable specifications shall accompany each shipment and be enclosed with the packing slip. If the statement is noted on the packing slip, additional copies of the packing slip shall be supplied with each shipment.

The certificate of conformance shall be legible and reproducible. The certification of conformance shall have, as a minimum, the following elements:

1. A statement of quality certifying to the conformance of the product to Gasket Specialties, Inc.'s requirements,
2. Gasket Specialties, Inc.'s Purchase Order number,
3. Lot Number, (or Batch Number, Heat Number, or some other unique identifier used for traceability), (Ref: QA9),
4. Cure Date, (or Heat Date, or Manufacture Date, etc.), as applicable,
5. Required Specifications,
6. Shelf Life information (Ref: QA10),
7. Date of certification,
8. Quantity certified,
9. Authorized signature and title.

If Special Processes are used in the fulfillment of Gasket Specialties, Inc. Purchase Order the Seller shall flow down the above certification requirements to their suppliers and the Seller's certification package shall include copies of the sub-tier special process certifications.

It is the responsibility of the supplier to determine and certify all specifications to their latest revision.

Product supplied by distributors shall include the original manufacturer certification in addition to the Seller's certification.

Incomplete, inaccurate, or omitted certificates of conformance may result in the product or service being rejected by Gasket Specialties, Inc. and returned to the supplier at the Seller's expense.

NOTE: The certifications signify that the seller has on file, or has access to, evidence of conformance (e.g. test reports, mill reports, etc.) to the applicable specifications. Gasket Specialties, Inc. reserves the right to request the data supporting the certifications. When requested, the seller shall forward this data to Gasket Specialties, Inc. within five (5) working days, (Ref: QA7).

QA9: PRODUCT TRACEABILITY

Product traceability is a requirement. The supplier shall maintain documented product traceability from receipt of raw material through finished product. Records and material shall be identified by lot number, (or Batch Number, Heat Number, or some other unique identifier used for traceability), material type, specification, applicable revision, and cure date, (or Heat Date, or Manufacture Date, etc.), as applicable, to maintain traceability. Records shall be maintained at the supplier's facility and shall be made available upon request by Gasket Specialties, Inc.

QA10: SHELF LIFE REQUIREMENTS

Supplier shall identify products limited by shelf life with its cure or manufacture date, expiration date, and special storage and handling condition, in addition to the standard identification requirements. Products may not be shipped to Gasket Specialties, Inc. with less than 80% of their useful life remaining at receipt without prior written authorization from GSI. Product received with less than 80% shelf life remaining without GSI's written authorization will be subject to rejection at seller's expense.

Rubber and rubber products supplied to Gasket Specialties, Inc. will be expected to have shelf lives comparable to the guidelines of MIL-HDBK-695F, Table 1.

QA11: APPLICATION OF ACCEPTANCE AUTHORITY MEDIA (AAM)

Suppliers shall comply with AS/EN/JISQ 9100 and 14 CFR Part 21.2 requirements regarding the application of Acceptance Authority Media (AAM). Suppliers shall, within its organization and its supply chain, ensure that the use of AAM is clearly defined within its Quality Management System (QMS). Suppliers shall, upon request, be able to demonstrate evidence of communication to its employees and to its supply chain that the use of AAM must be considered as a personal warranty of compliance and conformity.

The supplier shall maintain compliance to the AAM requirements by assessing its process and supply chain as part of its internal audit activities. The assessment shall include, but not be limited to:

- Application Errors, (i.e. Omission, Typos, Legibility, etc.)
- Untimely Use, (i.e. Documentation is not completed as planned, “Stamp/Sign as you go”, etc.)
- Misrepresentation, (i.e. Unauthorized personnel, Falsification of documentation, Work not performed as planned, etc.)
- Training Deficiencies, (i.e. Ethics, Culture awareness, Proper use of authority media, etc.)

QA12: COUNTERFEIT PRODUCT

Supplier shall have in place a system to detect, prevent, and disposition counterfeit and suspect counterfeit parts and materials that may be provided, or used in the manufacture of products provided to Gasket Specialties, Inc. Suppliers are notified that they may be liable for remedial costs should any counterfeit product be provided. Gasket Specialties, Inc. is not under obligation to return suspect or confirmed counterfeit product and may elect to scrap any known counterfeit product. Supplier shall flow down these anti-counterfeit requirements to their sub-tier suppliers.

QA13: FOREIGN OBJECT DAMAGE/DEBRIS (FOD)

Supplier shall have in place a documented process to prevent Foreign Object Damage/Debris (FOD) to products being shipped to Gasket Specialties, Inc. Supplier shall communicate and train personnel in FOD awareness and practices. Supplier shall also flow down FOD requirements to their sub-tier suppliers.

QA14: CHANGES TO PURCHASE ORDERS

Any changes, (deviations, modifications, substitutions, omissions, etc.) to a product or service ordered by Gasket Specialties, Inc. must be approved in writing by GSI’s Quality Department, prior to fulfilling the order. Failure to do so may cause the product or service to be rejected, returned, and replaced at Seller’s expense. This clause is also applicable to any required documentation associated with the purchase order.

QA15: REJECTION OF PRODUCT

Gasket Specialties, Inc. may base acceptance or rejection of any or all articles on inspection by sampling. If, upon inspection, any of the articles shall be found to be defective in material or workmanship, or otherwise not in conformity with the requirement of the purchase order, Gasket Specialties, Inc. may, in addition to its other rights, (1) require prompt correction or replacement thereof at Seller’s expense, including transportation charges, or (2) rework, or have reworked, any such articles at Seller’s expense, for the purpose of conforming the articles to contractual requirements, or (3) reject any such articles and require the immediate removal thereof. Gasket Specialties, Inc. to be repaid or credited the full invoice price thereof, plus transportation charges, or (4) cancel the contract in whole or in part. From the time of notice of rejection of defective articles upon inspection, or for a breach of warranty, risk of loss thereof shall be upon Seller until redelivery, if any, to Buyer.

QA16: SUPPLIER CORRECTIVE ACTION REQUESTS (SCAR)

Supplier shall be required to respond to Supplier Corrective Action Requests (SCAR) when issued by Gasket Specialties, Inc. for any nonconforming product or processes determined to be the liability of the supplier. Supplier shall respond by the given due date unless extended by Gasket Specialties, Inc. in writing. Supplier response shall include:

- Interim Containment Action
- Root Cause Analysis
- Corrective Action
- Action to Prevent Reoccurrences
- Verification of Action Taken

QA17: SUPPLIER NOTIFICATION

Supplier shall notify Gasket Specialties, Inc. of any nonconforming product or processes and shall make arrangements for the approval of the nonconforming product or processes by Gasket Specialties, Inc. prior to shipping the product to Gasket Specialties, Inc. The supplier shall not use disposition of “Use As Is” for nonconforming product without written approval by Gasket Specialties, Inc.

Supplier shall notify Gasket Specialties, Inc. of any changes in product and/or process that affects the product and obtain approval from Gasket Specialties, Inc. prior to processing the purchase order.

QA18: NOTIFICATION OF ESCAPE

Supplier shall provide written notification to Gasket Specialties, Inc. within one (1) business day when a nonconformance, discrepancy, or counterfeit parts or material is determined to exist, or is suspected to exist, on product or processes already delivered to Gasket Specialties, Inc. under any purchase order. Supplier’s written notification shall include:

- Affected product or process
- Description of the nonconforming condition
- Gasket Specialties, Inc.'s purchase order number and line item
- Lot number
- Quantity
- Date product was shipped to Gasket Specialties
- Supplier contact information

QA19: CALIBRATIONS

Suppliers shall have a system of recall and calibration for all measuring and test equipment used to verify conformity of products and services provided to Gasket Specialties, Inc. The calibrations shall be traceable to the National Institute for Standards and Testing (NIST), or the standards-setting agency of the relevant country, and shall be made available for review upon request by Gasket Specialties, Inc.

QA20: WARRANTY

In addition to all other warranties, express or implied, Seller expressly warrants that all goods and services furnished hereunder in all respects:

1. Are free from defects in material, workmanship and design.
2. Are merchantable,
3. Conform to applicable specifications, drawings, samples and descriptions, and
4. To the extent that Seller knows or has reason to know of the purpose for which the goods or services are intended, are fit and sufficient for that purpose.

Goods or services not in accordance with these warranties may be returned to Seller at its expense for full credit or replacement at the price specified, at any time within one year after delivery. Repairs or replacements shall be made by Seller, without costs to Gasket Specialties, Inc., and upon failure to do so within a reasonable time after written notice to Seller, Gasket Specialties, Inc. may do so at Seller's expense. The foregoing are in addition to and not in lieu of all other warranty rights, which Gasket Specialties, Inc. may have.

QA21: DELIVERY

The time or time(s) of delivery as set forth in Gasket Specialties, Inc.'s purchase orders are of the essence. The stated due date of the purchase order is the date the product is due on dock at Gasket Specialties, Inc. If Seller fails to meet all of its delivery commitments, Gasket Specialties, Inc. shall have the option to cancel all or part of this order and/or to require Seller to use its best efforts, including use of overtime and extra shifts to make the soonest possible deliveries of all or part of this order at no extra cost to Gasket Specialties, Inc.. If Gasket Specialties, Inc. incurs fines from its customer due to Seller failure to meet all of its delivery commitments, these fines will be passed on to the Seller. At no time shall Seller discriminate against Gasket Specialties, Inc. in favor of other customers in making deliveries. Unless otherwise specified in writing, delivery in whole or in part shall not be made earlier than one week prior to required delivery date. Gasket Specialties, Inc. may return or store early deliveries at Sellers risk and expense.

QA22: PACKAGING AND SHIPPING

Supplier shall ensure that product provided to Gasket Specialties, Inc. is packaged and shipped in such a manner to provide adequate physical protection from damage, deterioration, and degradation. Supplier shall also ensure that all required documents (packing list, certifications, test reports, etc.) are included and are protected from loss or damage.

Supplier shall have a process in place to verify the quality of all outgoing product. This process shall include verification of proper packaging, labeling, required documentation, cleanliness and visual/cosmetic defects as a minimum. Records of outgoing inspection results should be maintained.

QA23: SUPPLIER PERFORMANCE EXPECTATIONS

Gasket Specialties, Inc. expects suppliers to maintain a Supplier Performance Rating of $\geq 90\%$. Supplier Performance Rating is ascertained through product/service Quality, On-Time Deliveries, and Documentation accuracy and inclusion. Failure to reliably maintain a Supplier Performance Rating of $\geq 90\%$ may result in a SCAR and/or a change of status as a GSI approved supplier, or suspension as an approved supplier.

QA24: PROPOSITION 65

Gasket Specialties, Inc. requires all suppliers and service providers to conform to the requirements of California Proposition 65. Proposition 65, which became law on August 30, 2018, requires all businesses to provide warnings to consumers (and others doing business in the State of California) about significant exposures to chemicals that are known to cause cancer, birth defects, or other reproductive harm. All products received by Gasket Specialties, Inc. must have clear and reasonable warning that the product may contain such chemicals.

For more information, go to www.P65Warnings.ca.gov.

PART B
(Required Only When Stated on Purchase Order)

QB1: TEST REPORTS

If required by Gasket Specialties, Inc.'s purchase order, a copy of the test reports for the material/parts/service shall be submitted with the order. The test reports shall:

1. Be Legible and Reproducible,
2. Be Identifiable to the material specification(s),
3. Be Traceable to the material lot(s) shipped,
4. Contain the actual results of the test,
5. Reflect conformance to the specified chemical and physical values of the material specification(s), and
6. Include the signature (or traceable inspector stamp) and title of the authorized individual from the testing agency.

QB2: FIRST ARTICLE INSPECTION REPORT (FAIR)

If required by Gasket Specialties, Inc.'s purchase order, a detailed First Article Inspection Report (FAIR) shall be submitted with the order.

The FAIR data may be recorded on the supplier's own form, but at a minimum the FAIR shall:

1. Be legible and reproducible,
2. Indicate the part number, revision level, GSI's purchase order number, and date of inspection,
3. Include a bubbled drawing,
4. Show the actual measurements taken for all dimensions and features on the drawing,
5. Include the dimension's associated tolerances,
6. Indicate that all applicable drawing NOTES have been satisfied,
7. Identify the equipment used for the inspections,
8. Identify the inspector by name and signature (or traceable inspector stamp).

QB3: FIRST ARTICLE INSPECTION REPORT (FAIR) PER AS9102

If required by Gasket Specialties, Inc.'s purchase order, a detailed First Article Inspection Report (FAIR) shall be performed by the supplier in accordance with the requirements of AS9102 ("Aerospace First Article Inspection Requirements") and shall be submitted with the order.

The FAIR data shall be recorded on the current AS9102 forms, per the revision level established at time of purchase order issuance. Each of the three AS9102 forms shall be completed in full. All required and optional fields shall be completed and shall not contain open fields. To ensure each field of the forms has been reviewed, the supplier shall mark all non-applicable fields as "N/A" and give a brief explanation for each.

The FAIR shall:

1. Be legible and reproducible,
2. Indicate the part number, revision level, GSI's purchase order number, and date of inspection,
3. Include a bubbled drawing,
4. Include the reference location of the design characteristic (drawing zone, sheet number and section),
5. Show the actual measurements taken for all dimensions and features on the drawing,
6. Have the actual recorded measurements in the units specified on the drawing or specification,
7. Include the dimension's associated tolerances,
8. Indicate that all applicable drawing NOTES have been satisfied,
9. Identify the equipment (type and serial numbers) used for the inspections,
10. Identify the inspector by name and signature.

AS9102 forms can be found on the Society of Automotive Engineers website located at the following address: <http://www.sae.org/aaqg/publications>.

QB4: COUNTRY OF ORIGIN

If required by Gasket Specialties, Inc.'s purchase order, this procurement is subject to the provision of the Buy American Act, and the product shall be identified as "Made in the USA". The identification shall be legible, reproducible, and readily apparent upon receipt. Acceptable methods of identification includes: a certification of the Country of Origin, a statement provided in the product's Certification of Conformance, or a statement provided on the Packing Slip.

QB5: MATERIAL SAFETY DATA SHEET (MSDS)

If required by Gasket Specialties, Inc.'s purchase order, the supplier shall include with the shipment a current Material Safety Data Sheets (MSDS or MSD) applicable to the product or service provided.

QB6: REGULATORY COMPLIANCE (RoHS and REACH)

If required by Gasket Specialties, Inc.'s purchase order, the supplier shall include with the shipment documented information to show compliance with the European Union's Directive 2002/95/EC for the Restriction of Hazardous Substances, (RoHS), or documented information to show compliance to the European Chemical Agency (ECHA)'s regulations for the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), or both.

Acceptable types of documented information include:

- Statement or certification on company letterhead stating compliance to RoHS and/or REACH,
- A third party document, traceable to the product being provided to GSI, stating compliance to RoHS and/or REACH, or
- A statement on supplier's certificate of conformance stating compliance to the regulation(s).

In all cases the documented information shall be legible, reproducible, and readily apparent upon receipt. Supplier shall flow down these regulatory compliance requirements to their sub-tier suppliers as applicable.

For more information on RoHS go to: <https://rohsguide.com/>

For more information on REACH go to: <https://echa.europa.eu/regulations/reach/understanding-reach>

REVISION HISTORY

REVISION	DATE	DESCRIPTION OF CHANGE
001-002	See MDI	Was previously titled "Terms and Conditions".
003	08/29/2020	<ul style="list-style-type: none"> i. Document retitled "QUALITY ASSURANCE CLAUSES" in order to better describe its intention and the document structure is reformatted. ii. Modified "Introduction" after title. iii. Added Sections: <ul style="list-style-type: none"> • PART A • QA6: CONFIDENTIALITY NOTIFICATION • QA18: NOTIFICATION OF ESCAPE • QA19: CALIBRATIONS • QA22: PACKAGING AND SHIPPING • QA23: SUPPLIER PERFORMANCE EXPECTATIONS • QA24: PROPOSITION 65 • PART B • QB1: TEST REPORTS • QB2: FIRST ARTICLE INSPECTION REPORT (FAIR) • QB3: FIRST ARTICLE INSPECTION REPORT (FAIR) PER AS9102 • QB4: COUNTRY OF ORIGIN • QB5: MATERIAL SAFETY DATA SHEET (MSDS) • QB6: REGULATORY COMPLIANCE (RoHS and REACH) iv. Added "NOTE:" to QA8: CERTIFIED STATEMENT OF CONFORMANCE stating that GSI reserves the right to request evidence of conformance. v. Added to QA10: SHELF LIFE REQUIREMENTS "<i>Rubber and rubber products supplied to Gasket Specialties, Inc. will be expected to have shelf lives comparable to the guidelines of MIL-HDBK-695F, Table 1.</i>"
004	01/20/2021	<p>QA23 Was: <i>"Gasket Specialties, Inc. expects all suppliers to maintain a Supplier Performance Rating of ≥ 90%"</i></p> <p>QA23 Now: <i>"Gasket Specialties, Inc. expects suppliers to maintain a Supplier Performance Rating of ≥ 90%"</i></p>