

## Appendix 2

### QUALITY AND ENVIRONMENTAL REQUIREMENTS

MilDef designs and sells hardware, software, and services to a variety of industries and business segments operating in challenging environments. Therefore, MilDef has unique supplier quality and environmental requirements specific to these industries and business sectors, some of which are described in this document.

Terms used but not defined herein shall have the same meaning as set forth in the agreement to which this document is attached. For the purpose hereof, "MilDef" and "the Purchaser" shall have the same meaning.

#### Quality Management

The Supplier shall meet MilDef requirements, to deliver quality products on time, through their controlled processes. This is to be achieved by:

Being able to demonstrate that the Supplier meets and works in accordance with the requirements of ISO 9001:2015 or equivalent.

When goods are delivered, a certificate of conformity shall be provided for the electrical parts which confirms that the Supplier has controlled the goods and that it has met the requirements of the relevant IPC std, the drawings/specifications and the requirements of this document.

#### Environmental Management

The Supplier shall meet MilDef requirements, to use environmentally friendly manufacturing methods, wherever possible. This is to be achieved by:

Being able to demonstrate that the Supplier meets and works in accordance with the requirements of ISO 14001:2015 or equivalent.

The Supplier should make an active effort to inflict as little damage on the environment, as possible.

#### CE marking

MilDef's products are, as a basic approach, CE marked as a part of the fulfillment of the customer and general open market requirements. Any product, part or article delivered to MilDef must not infringe the possibilities to affix the CE mark on the products for MilDef. If there is any uncertainty as to whether such material will be delivered, it must be communicated in writing to MilDef and needs to be approved by MilDef.

The directives to which MilDef's products may be subject include, but are not limited to:

2014/35/EU- Low Voltage Directive (LVD).

2014/53/EU- The radio equipment directive (RED)

2014/30/EU- Electromagnetic Compatibility (EMC-directive).

2011/65/EU- Restriction of the use of certain hazardous substances (RoHS2).

EN 62368-1:2014 + A11:2017- Audio/video, information and communication technology equipment. Part1: Safety requirements

Electromagnetic compatibility standards:

- EN 61000-6-2:2005+C1:2005
- EN 61000-6-3:2007+ A1:2011
- EN 55032:2015
- EN 55024:2010

EN 62133:2013, for battery powered products

For AC powered equipment

- EN 61000-3-2:2014
- 61000-3-3:2013+AMD1:2017

#### Purchase of PCBs or electrical parts

PCBs supplied to MilDef shall be manufactured in accordance with IPC Standard: Class 2, unless otherwise stated. If the Supplier must deviate from the standard, MilDef shall be informed, in writing, before manufacturing. Since PCBs and other electrical products are a source of high environmental impact MilDef wants the Suppliers to strive for being compliant with halogen-specific standards, such as IEC 61249-2-21 and JS709C, when applicable. The IEC 61249-2-21 standard is used to indicate halogen-free printed circuit boards, while JS709C covers all other aspects of electrical products.

Any product supplied to MilDef must be at least of MSL 3, packaged and clearly marked on the outside of the package if there are any limitations, due to exposure to a non-controlled environment.

#### Conflict minerals

The Supplier shall assure that it does not knowingly use components containing 3TG (tin, tantalum, tungsten and gold) metals produced from conflict minerals in the manufacture of its products and is compliant with relevant regulations, such as but not limited to the Dodd-Frank Act Section 1502. The Supplier shall be able to demonstrate due diligence in accordance with EU Regulation 2017/821.

#### RoHS

All products or components supplied to MilDef shall comply with European Directive 2011/65/EU (RoHS) and its amendments, such as 2015/863/EU. If this cannot be fulfilled, deviations shall be noted early in the discussions with MilDef and specified in writing on supplied documents such as order confirmations, CoC etc.

#### REACH

All products, articles and components supplied to MilDef shall comply with EC 1907/2006 (REACH). Products or materials that contains any "Substances of Very High Concern" (SVHCs) above 0.1% w/w must be notified to MilDef in accordance with the article 33 requirements of REACH.

Products or materials shall comply with the Authorization List, Annex XIV and the List of Substances restricted, Annex XVII. If this cannot be fulfilled, deviations shall be noted early in the discussions with MilDef and specified in writing on supplied documents such as order confirmations, CoC etc.

When applicable, for suppliers within the European union, a SCIP UUID shall be provided for the supplied article, in order for MilDef to be able to fulfill the requirements of the Waste Framework Directive, 2008/98/EC regarding the above mentioned SVHCs. For suppliers outside the European Union the data for registration in the SCIP data base is expected to be provided.

#### Persistent Organic Pollutants (POPs)

Substances that are classed as persistent organic pollutants (POPs), according to regulation 2019/1021, are not allowed to be used in the production or content of any products supplied to MilDef. If there is any risk of content of these substances in the

products sold and/or delivered by the Supplier, MilDef shall immediately be informed.

### Other regulations and requirements

Based on the type of products that MilDef design, produce and sell there are requirements of compliance towards several other regulations and directives. Some are listed below that may apply to the articles and products supplied to MilDef. The list shall be seen as examples and shall not be regarded as exhaustive:

- a. The EU waste electrical and electronic equipment directive 2012/19/EU
- b. Directive 2009/148/EC for the limitations of asbestos.
- c. Compliance to the non-use of radionuclide material in any form.
- d. Regulation 1005/2009 for substances that deplete the ozone layer.
- e. The US EPAs' Toxic Substances Control Act (TSCA) Compliance Monitoring Strategy (CMS)

### Delivery

Packaging materials shall sufficiently protect the packaged products and should also take into account facilitated handling and storage, whilst maintaining good quality in accordance with EU directive 94/62/EC on packaging and packaging waste.

The Supplier is required to clearly mark and maintain full traceability for all products supplied to MilDef to allow backward tracing on material and process steps.

If a product is only usable for a limited time, or if special storage requirements are required, the Supplier must communicate this early in the discussions with MilDef and in writing on supplied documents such as order confirmations, CoC etc. and clearly indicate the requirements and the expiration date on the product or on the package.

All Electrostatic Sensitive Devices (ESD) must be secured in an appropriate manner and clearly identified with an ESD warning label on each article, within the shipment.

All moisture sensitive devices must be packed and marked according to IPC/JEDEC J-STD-033 Standard.

### Defects and claims

The Supplier shall immediately send a Quality Alert to MilDef, whenever suspected defected product has been shipped to MilDef.

If defected material is reworked and sold to MilDef, extra inspections/verification actions are required during the release process of the product. The Supplier shall save data for all actions on the reworked product, to ensure full traceability and shall make these details available for MilDef, if requested.

If there is a deviation from the purchase order, MilDef shall send the Supplier a Reject Note, by email. Deviations from the manufacturing documentation shall be corrected at no cost to MilDef, unless otherwise agreed in writing/approved by MilDef. The Supplier must return the Reject Note with a detailed "action taken" note making it visible for the receiver (MilDef) to establish what action has been taken to correct the failure. The supplier shall always provide a full corrective and preventive action plan to ensure that the failure does not arise again. In some cases, MilDef will request the supplier to provide a full 8D report.

### Counterfeit Parts

"Counterfeit Parts" means materiel whose origin, age, composition, configuration, certification status or other characteristics (including whether or not the materiel has been used previously) has been falsely represented by:

- a. misleading marking of the materiel, labelling or packaging.
- b. misleading documentation; or
- c. any other means, including failing to disclose information

except where it has been demonstrated that the misrepresentation was not the result of dishonesty by a supplier or sub-supplier within the supplier chain.

The Supplier shall not deliver Counterfeit Parts or suspected Counterfeit Parts to MilDef. The Supplier shall ensure that sources of supply have effective processes for mitigating the risks of supplying Counterfeit Material.

The Supplier and its sub-tier suppliers shall ensure that only new materials are used in products delivered to MilDef.

The Supplier may only purchase electronic components and other products and parts to be delivered to MilDef directly from the Original Equipment Manufacturer (OEM)/ Original Component Manufacturer (OCM), or through an OEM/OCM authorized distribution chain.

Any use of independent or non-franchised distributors/brokers or other non-authorized sources is not authorized, unless first approved in writing by MilDef, such approval not to be given without clear traceability to OEM/OCM.

If the Supplier becomes aware or suspects that it has furnished Counterfeit Parts or suspected Counterfeit Parts or if MilDef determines, including as a result of alerts from any government, or other relevant authorities, that the Supplier has supplied Counterfeit Parts or suspected Counterfeit Parts to MilDef and so notifies the Supplier, the Supplier shall immediately replace the Counterfeit Parts or the suspected Counterfeit Parts with parts acceptable to MilDef.

Certificate of conformity must contain batch traceability documentation to the manufacturer including all intermediaries.

The Supplier shall ensure that requirements, that substantially comply with all of the terms of this provision, are imposed on all the Supplier's subcontractors from which material or components are procured for deliveries to MilDef.

The Supplier shall be responsible for all costs incurred by MilDef as a result of the Counterfeit Part(s), including, but not limited to any rework, repair, or replacement.

### Material provided by MilDef

If MilDef is to provide the Supplier with any materials, it is the Supplier's responsibility to request delivery of such material in time to fulfill its obligations to MilDef. The Supplier is responsible for any damage to, or loss of materials supplied. Materials provided are to be stored in a secure location, separate from other stored materials and in correct environment. Inventory shall be done on a monthly basis, or after an agreed timeframe and reported to MilDef.

In cases where the Supplier is ordering materials from a subcontractor designated by MilDef (e.g. connectors), it shall be specifically mentioned that this in no way limits the Supplier's liability in relation to MilDef and that it is the Supplier's responsibility to always insist upon the correct price.



### **Traceability**

The Supplier shall, in connection with the delivery, provide information on the country of origin of the Product and, at MilDef's request, provide a certificate of origin for the Product.

The Supplier and its sub-tiers shall ensure traceability of materials and components used in the Products supplied to

MilDef. Traceability is expected to be maintained on batch level to secure backwards traceability if deemed necessary. As an example, within the electronics industry the IPC A-610 Class 2 is used for standard workmanship, J-STD 001 Class 2 for manufacturing processes and with the Global standards one (GS1) to secure traceability.