

E-Z Fastening Solutions, Inc.

Purchase Order Terms & Conditions

Terms and Conditions are applicable to purchases made by E-Z Fastening Solutions, Inc. referred herein as (“Buyer”) from its vendors or suppliers referred herein as (“External Provider”). Products procured by (“Buyer”) deemed contract, Purchase Order, Order, referred herein as contract between (“Buyer”) and (“External Provider”).

Acceptance- External Provider Review and Acknowledgement

The Purchase Order (Order) constitutes an offer by Buyer which is accepted by External Provider solely in accordance with the terms set forth herein and on the face of the Order. The supplier –External Provider of product and services, shall review and provide acknowledgement and confirmation of order, signature is required. Electronic signature is an accepted method to acknowledge and confirm Purchase Order. *External Provider shall flow down to its external providers any applicable customer and regulatory requirements.*

PO Changes / Amendment

Buyer may at any time by a written order make changes within the general scope of this Order in any one or more of the following: (i) drawings, designs, or specification; (ii) method of shipping or packing; (iii) place or time of delivery; and (iv) quantity. External Provider shall proceed immediately to perform this Order as changed or amended. If any such changes caused an increase or decrease in the cost of the time required for the performance of this Order, an adequate adjustment shall be made in the price or delivery schedule, or both and this Order shall be modified in writing accordingly. Any claim for adjustment under this provision must be submitted in writing within 30 days from the date the change or amendment is ordered, together with cost or pricing data sufficient to permit evaluation of such claim. Failure of the parties to agree upon any adjustment to the Order to be made under this clause shall not excuse External Provider from proceeding with the Order as changed, or as directed by an authorized representative of Buyer’s Purchasing Department. External Provider shall notify buyer of non-conforming processes, products, or services and must obtain buyer approval for disposition.

Delivery / Shipments

External Provider agrees to deliver acceptable parts in strict conformance to the delivery schedule as it appears on the face of this Order, and agrees that Buyer may return at External Provider’s expense and risk all material shipped otherwise. If External Provider’s deliveries fail to meet the schedules specified by Buyer with the result that Buyer is compelled to call upon External Provider to ship by other than designated routing to expedite delivery, External Provider shall assume the difference for the additional cost of transportation. External Provider shall suitably pack Goods to insure against damage from weather and transportation and to secure lowest transportation costs and to conform to the requirements of common carriers as well as any applicable specifications. Buyer may specify the routing of any shipment, but if not specified, External Provider shall route shipments to achieve the lowest freight rate. External Provider shall meet the required deliver schedule dock-date, early shipments will not be accepted of the delivery dock-date set forth in this Order without Buyer’s written permission. External Provider agrees to notify Buyer in writing of any potential delay in schedule. Material delivered under this Order in excess of the amount ordered herein shall be returned to External Provider at External Provider’s expense or retained by buyer at no cost to Buyer.

Information for External Providers

Buyer shall communicate to external providers applicable requirements through the Purchase Order which may include:

- Requirements for the process, products, and services to be provided, and identified relevant technical data;
- Any requirements for approval of products and services; methods processes and equipment; release of products and services.
- Any requirements for competence including any required qualifications of persons;
- Any external provider’s interaction with the buyer;
- Any control and monitoring of the external provider’s performance to be applied buyer;
- Any verification or validation activities that the buyer or other organization, will perform at the provider location;
- Any testing, inspection, or verification required in addition to the product’s standard requirements;
- Any special requirements, critical item, or key characteristics that require attention in addition to the product’s standard requirements;
- Use of any statistical techniques for product acceptance;
- Use of any customer designated or approved external providers;

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Quality Management Standard

External provider shall provide and maintain a quality control management system to an industry recognized Quality Standard, including conformance to any other specific quality requirements identified in the Purchase Order;

Use of External Providers

External Provider shall use customer-designated or approved external providers, including process sources. External provider shall flow down to their external provider applicable requirements including customer requirements;

Notice of Nonconforming Product

External Provider shall notify Buyer immediately of any nonconforming product. External Provider shall notify buyer of non-conforming processes, products, or services and must obtain buyer approval for disposition.

**Counterfeit Parts Avoidance, Detection, Mitigation and Disposition.
Prevent the use of suspected unapproved, unapproved, and counterfeit parts.**

External Provider shall maintain a Counterfeit Parts / Material Prevention and Control Plan in accordance of the AS5553 & AS6081 standard. Counterfeit prevention requirements must be flowed down to their sub-tier suppliers throughout the supply chain. External Provider is eligible for utilization of the Government-Industry Data Exchange Program (GIDEP) shall utilize the GIDEP process to alert the industry of encountered counterfeit parts. The External Provider is required to deliver products to Buyer obtained directly from an OEM or authorized / franchised distributor. Unauthorized substitutions will not be allowed for delivered products. External Provider shall not deliver counterfeit work or suspect counterfeit work to buyer.

Changes

External Provider must notify Buyer of any changes in product and/or process, changes of suppliers, including changes of their external providers or change of manufacturing facility location.

Certificate of Conformance

External Provider shall submit with each shipment a certificate of conformance stating products shipped are in compliance with PO requirements and all applicable drawings & specifications. The certificate shall include P.O. number, part number with revision level, quantity, lot/batch number, serial number (where applicable), cure date (where applicable), and be signed by an authorized company representative with title, and provide a certificate of conformity, test reports, or authorized release certificate, as applicable. All certifications must be clearly legible. Illegible copies may result in rejection of order at External Provider's expense.

Record Retention and Traceability

External Provider shall retain test, inspection, and verification reports to serve as evidence of conformance to the specified requirements on the order. Products must be traceable to the OEM –manufacture of specified products. Records, including retained information, retention periods and disposition requirements must be kept in a controlled condition for 10 years in a location where records are attainable and safe from deterioration. Quality records must remain legible, retrievable by Purchase Order number, and made available to E-Z Fastening Solutions, its customers and/or regulatory authorities within 48 hours of request. External Provider shall provide the traceable records upon request.

Right of Access

External Provider, unless otherwise stated on the Purchase Order, shall allow right of access to Buyer, customer, and regulatory authorities to the applicable areas and to applicable documented information, at any level of the supply chain.

Awareness

External Provider shall ensure their employees are aware of their contribution to product and service conformity, competence requirements, product safety, and the importance of ethical behavior.

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Invoicing and Payment

A separate invoice shall be issued to the Buyer for each shipment made by External Provider. Unless otherwise specified in this Order, and invoice shall not be issued prior to shipment of items and payment will not be made prior to receipt of items and correct invoice. Credit and discount periods will be computed from the date of receipt of the correct invoice to the date Buyer' check is mailed. Rejections, delivery delays, and External Provider's errors and omissions shall be cause for withholding payment, and Buyer shall not thereby lose any cash discount privilege. Buyer's order numbers and symbols must be plainly marked on all invoices, packages, bills of lading and shipping orders. Buyer's count or weight shall be final and conclusive on shipments not accompanied by a packing list.

Limitations of Liability

Notwithstanding any other provision of this Order, Buyer's maximum liability to the External Provider shall not exceed the purchase price of this Order. External Provider shall not be entitled to any incidental, special or consequential damages if Buyer breaches or otherwise fails to perform any obligations under this order.

Entire Agreement

This Order sets forth the entire agreement, and supersedes any and all other agreements, understandings and communications between Buyer and External Provider and related to the subject matter of this Order. No amendment or modification of this Order shall be binding upon Buyer unless set forth in a written instrument signed by Buyer's Material Representative. The rights and remedies afforded to Buyer or Customers pursuant to any provision of this Order are in addition to any other rights and remedies afforded by any other provision of this Order, by law or otherwise.

Warranties

External Provider warrants to Buyer and Customers that the products shall; (i) conform in all respects to all of the requirements of this Order; (ii) be free from all defects in materials and workmanship; and (iii) to the extent not manufactured pursuant to detailed designs furnished by Buyer, be free from all defects in design and fit for the intended purposes.

Applicable law and disputes

Any dispute arising under or related to this order shall be governed by the law of the state appearing in Buyer's address on the face hereof. However, if this Order is placed under a government prime or higher tier contract, the Federal Law of Government Contract as enumerated and applied by the Federal courts and the Agency Boards of Contract Appeals shall apply pending the resolution of any disputes. External Provider shall proceed as directed by Buyer.

Assignment

Any assignment of External Provider's Contract rights or delegation of External Provider's duties shall be void, unless prior written consent is given by Buyer. Nevertheless, External Provider may assign rights to be paid amounts due, or to become due, to a financing institution if Buyer is promptly furnished a signed copy of such assignment reasonably in advance of the due date for payment of any such amounts. Amounts assigned shall be subject to setoff or recoupment for any present or future claims of Buyer against External Provider. Buyer shall have the right to make settlements and/or adjustments in price without notice to any assignee financing institution.

Compliance with federal state and local laws

External Provider has complied with and shall comply with all applicable Federal, State, and Local laws and ordinances and all order, rules and regulations hereunder. External Provider shall save and hold Buyer harmless from and reimburse it for, any and all costs, damages and expenses (including attorney's fees) suffered or occasioned to it through any failure of External Provider to comply with any laws, orders, rules, regulations or ordinances.

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Termination

Buyer may terminate the order in whole or in part for External Provider's default without liability to Buyer; (i) if deliveries are not made at the time or in the quantities specified; (ii) in the event of a breach of applicable specification requirements or any of the other terms or conditions hereof; (iii) in the event of the institution of any proceedings by or against External Provider in bankruptcy or insolvency under any provisions of the Bankruptcy Act or for the appointment of a receiver or trustee or any assignment for the benefit of creditor.

Foreign Object Debris (FOD) Prevention

External Provider shall maintain a (FOD) program to prevent Foreign Object and Debris to enter parts provided to E-Z Fastening Solutions, Inc. External Provider shall prevent, detect, and remove FOD from products in accordance of the National Aerospace Standard- (NAS) 412, (FOD) prevention. External Provider shall ensure the (FOD) prevention requirements are flowed down to their sub-tier suppliers throughout the supply chain.

Regulations DFARS

The External Provider shall incorporate the contract clause at DFARS 252.225-7014 ALT

Any specialty metals (as defined in paragraph (A) of the clause) included in

1. any articles delivered under this Purchase Order must comply with that clause, and shall flow down 7014 ALT 1 to all of the External Provider's vendors supplying any articles delivered under this Purchase Order that include specialty metals unless specifically waived by the Purchaser.

http://www.acq.osd.mil/dpap/dars/dfars/html/current/225_0.htm

Also, unless otherwise specified, all materials supplied shall be domestic.

2. 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 lower – tier Purchase Orders or subcontracts hereunder. To view the contents of the EO please access the following website :

<https://www.treasury.gov/resource-center/sanctions/Programs/Documents/terror.pdf>

3. To ensure compliance with US export laws, E-Z Fastening Solutions, Inc. does not conduct any business transactions with persons or companies on the denied persons list published by the US Department of Commerce, the debarred parties list published by the Department of State, and the specially designated nationals published by the Department of Treasury, foreign assets control.

Export Control-ITAR

External Provider shall comply with all applicable U.S. export control laws and economic sanctions laws and regulations, specifically including but not limited to the International Traffic in Arms Regulations (ITAR), 22 C.F.R. 120 et seq.; the Export Administration Regulations, 15 C.F.R. 730- 774; and the Foreign Assets Control Regulations, 31 C.F.R. 500-598 (collectively, "Trade Control Laws"). Without limiting the foregoing, External Provider shall not transfer any export controlled item, technical data, technology, or service, including transfers to foreign persons employed by or associated with, or under contract to External Provider or External Provider's lower tier suppliers, unless authorized in advance by an export license (such as Technical Assistance Agreement (TAA) or Manufacturing License Agreement (MLA), license exception or license exemption, collectively, "Export Authorization"), as required.

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Gratuities

External Provider shall not offer any form of gratuity in the form of entertainment, gifts, or otherwise for the purpose of obtaining or rewarding favorable treatment to the buyer.

Safety, Health, Ethics and Conformity to Product or Service

External Provider shall strive to provide an environmentally safe workplace. Provide the required resources, training and environment to support optimum health and well-being among employees, ensuring the highest level of protection and respect for privacy and confidentiality. External Provider shall establish a code of ethics and values supporting buyer and customer requirements, including the requirements to promote safety in order to achieve zero-injury. External Provider shall ensure the persons are aware in order to meet the product conformity to the buyer.