

TranSpec Fasteners, Inc.
TERMS AND CONDITIONS OF PURCHASE ORDER

1. **Terms and Conditions** - No Terms and Conditions other than the terms and conditions set forth in this Purchase Order and such items and conditions as set forth in any document attached to or incorporated by reference in this Purchase Order shall be binding unless specifically accepted by an authorized representative of TranSpec Fasteners, Inc. ("TranSpec"). Execution and delivery of this Purchase Order shall not operate as such specific acceptance.

2. **Compliance with Laws and Governmental Requirements –**

- a. Compliance with All Laws: The Supplier shall comply with all applicable state, federal, local, national and provincial laws,, rules and regulations, including without limitation and when invoked on the Purchase Order, the Federal Acquisition Regulations ("FAR"), the Defense Federal Acquisition Regulation Supplement ("DFARS"), the California Transparency Supply Chains Act of 2010, the most current European regulation for Registration, Evaluation, Authorization (and Restriction) of Chemicals ("REACH"), the most current European Restriction of the use of certain Hazardous Substances Directive ("ROHS"), the most current European Waste Electrical and Electronic Equipment Directive ("WEEE"), and all EU Data Privacy Regulations relating to the protection of personal data. While any Purchase Order is in effect, Supplier shall provide TranSpec with status information regarding the legal or arbitral proceedings or any proceedings by or before any governmental body, now pending or threatened against the Supplier.
- b. Denied Party Screening: The Supplier shall notify TranSpec immediately in writing if the Supplier, or the Supplier's subcontractors, are listed as Specially Designated, debarred, sanctioned, or designated as a denied party on any denial or sanctions list published by the United States Government.
- c. Cybersecurity: When invoked on the Purchase Order for items not designated as commercially available off-the-shelf ("COTS") items, the Supplier shall comply with all requirements of:
- i. DFARS 252.204-7012 Safeguarding Covered Defense Information and Cyber Incident Reporting
 - ii. DFARS 252.204-7020 NIST SP 800-171 DoD Assessment Requirements

If the Supplier is unable to comply with the above requirements, the Supplier must notify TranSpec immediately before any work is performed under the Purchase Order. Non-compliance may result in the cancellation of the Purchase Order with no cancellation or other charges being incurred or paid by TranSpec.

- d. International Trade of Technical Data and Product:
- i. The supplier shall comply with all applicable state, federal, local, national and provincial laws, rules, and regulations with respect to international trade including, without limitation, the Export Administration Regulations ("EAR"), the International Traffic in Arms Regulations ("ITAR"), and any other regulations promulgated by the U.S. Office of Foreign Assets Control ("OFAC"), and the import and export control laws of the countries in which the parties do business.
 - ii. The Supplier shall comply with all applicable registration and licensing requirements under the export control laws of the United States and the laws of the countries in which the Supplier operates. Seller shall not disclose, transfer or export hardware or technical data, or perform services controlled under ITAR or the EAR to any non-U.S. person or firm, including non-U.S. persons employed by or associated with the Supplier, nor to any non-U.S. government without first complying with all requirements of the ITAR or the EAR, including the requirements for obtaining an export license or other required authorization.
 - iii. The Supplier agrees to notify TranSpec if any technical data or product to be delivered under this Purchase Order is restricted by export control laws or regulations.
 - iv. If the Supplier is the design authority for the technical data or product to be delivered under any Purchase Order, the Supplier shall provide TranSpec with:
 - 1. The applicable Harmonized Tariff Schedule ("HTS") number; or either
 - 2. The USML category of such technical data or product that are controlled by the ITAR; or
 - 3. The Export Control Classification Number ("ECCN") of such technical data or product that are controlled by EAR.
 - v. If any Purchase Order requires either party to obtain government-approved export authorization to facilitate activities and obligations set forth under a Purchase Order, the Supplier shall exercise

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reasonable efforts to support the preparation and management of the authorization in full compliance with applicable government regulations. The Supplier shall without delay respond to requests for supporting documentation, including clarifying questionnaires or any other requested information necessary to secure government authorization. Each party, as applicable, shall be individually responsible for:

1. Obtaining required documentation or other information from any third party required by such party to perform its obligations under all Purchase Orders; and
 2. Exchanging copies of all government export authorizations related to the technical data or product, and all provisions or conditions or information relating to the authorization, including but not limited to, any restriction on sublicensing, retransfer, resale or re-export, any requirement for non-disclosure agreements, and any limitation on individuals having access to technical data or product, to the extent permitted by governmental agencies and with allowance for redaction of registration numbers; and
 3. Compliance with all government export authorizations, including without limitation ensuring that all export-related paperwork and documentation (e.g., Destination Control Statements, Electronic Export Information filed via Automated Export System) are properly completed and timely filed.
- vi. The Supplier shall provide complete and accurate customs documentation, including without limitation, documentation regarding entry requirements, classification, valuation, preferential treatment, duty drawback, and trade terms. The Supplier shall be liable for any penalties, fines, additional duties, or third-party costs that TranSpec may incur as a result of the Supplier's failure to promptly and accurately provide such necessary information, including the costs and fees incurred by TranSpec to classify items (HTS or export classifications) and to determine the country of origin. TranSpec shall set-off such incurred amounts that would otherwise be due to the Supplier without prejudice to TranSpec's other rights and remedies available to it.
- e. **Conflict Minerals:** The Supplier shall not knowingly procure specified metals that originate from facilities in the "Conflict Region" and will undertake reasonable due diligence to ensure that specified metals used in parts or components purchased by TranSpec shall either be smelted outside of the "Conflict Region" or are certified as being "conflict free". Supplier shall flow down this requirement to their sub-tier suppliers as applicable when a specified metal is used. Supplier will comply with applicable disclosure requirements of the Securities and Exchange Commission (SEC) Conflict Minerals Final Rule 34-67716 dated 08/22/12. For further guidance, see Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.
3. **Warranty** – The Supplier warrants the goods and materials furnished under this Purchase Order for workmanship, material, and compliance with all specifications.
 4. **Patent Infringement** - The Supplier agrees to defend at its own expense any suit or legal proceedings brought against TranSpec as a result of the normal use of any material or equipment furnished hereunder. In the event that TranSpec has given the Supplier prompt notice of such claim, the Supplier hereby agrees to reimburse TranSpec for expenses and costs resulting from that claim and to pay judgment that may be rendered against TranSpec. This clause shall not apply to material or equipment furnished according to TranSpec's written specifications.
 5. **Transportation** - Unless otherwise stated on the face of this Purchase Order, terms shall be F.O.B. Supplier's plant, title to pass to TranSpec upon delivery to Carrier. No charges for unauthorized transportation or any amounts in excess of those charged for the specified method of shipment will be allowed. Additional information may be found at: www.transpec.com/routing-guide
 6. **Product Handling, Packaging, and Preservation** - Refer to TranSpec's Supplier Quality Requirements (SQR-1).
 7. **Delivery Schedule** - Unless otherwise agreed, the Supplier shall not make material commitments or production arrangements in excess of the amount or in advance of the time necessary to meet TranSpec's delivery schedule. The Supplier may not be liable for damages for delay of delivery beyond its reasonable control. However, TranSpec may, in addition to its other rights, at its option, either approve a revised delivery schedule or terminate in whole or in part, this Purchase Order without liability to the Supplier on account thereof. Supplier shipments 30 days or more prior to the Purchase Order schedule date may be returned to the Supplier for shipment on the schedule date or payment may be made based on the TranSpec's requested delivery date, not the date of the Supplier invoice.

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8. **Liability** - The Supplier agrees that the relationship established by this Purchase Order constitutes him as an independent contractor and that no tax assessment or legal liability of the Supplier or of his agents or employees becomes, by reason of this Purchase Order, an obligation of TranSpec.
9. **Changes** - TranSpec shall have the right to make changes in this Purchase Order, but no additional charge will be allowed unless authorized by TranSpec. If such change affects delivery or the amount to be paid by TranSpec., the Supplier shall notify TranSpec immediately, and negotiate an adjustment in accordance with this clause. In any event, the charges for obsolescence, scrap, and/or rework resulting from any change shall be limited to the material in process at the time of the change and within the Supplier's normal manufacturing cycle needed to meet TranSpec's delivery schedule.
10. **Termination** - TranSpec may terminate in part or in whole, work under this Purchase Order at no charge except for those limited to the material in process at the time of the termination of the Purchase Order and within the Supplier's normal manufacturing cycle needed to meet TranSpec's delivery schedule.
11. **Quality Assurance** – Refer to TranSpec's Supplier Quality Requirements (SQR-1).
12. **Rejections** - If any of the materials furnished under this Purchase Order are found to be defective in material, workmanship, or otherwise not in conformity with the requirements of this Purchase Order, TranSpec, in addition to any other rights which it may have under warranties or otherwise, may reject and direct that the supplier provide replacements. No supplier replacements are permitted without TranSpec's documented authorization via Purchase Order amendment or re-issuance. The Supplier shall promptly respond to all requests for corrective action. When requested, the Supplier shall submit corrective action responses within 30 days of notification of non-conformance. Failure to do so may result in the Supplier being disapproved for any future purchases. For further conditions on non-conforming product, refer to TranSpec's Supplier Quality Requirements (SQR-1).
13. **Affirmative Action** - This contractor and subcontractor shall abide by the requirements of 41 CFR 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, disability, or veteran status.
14. **Acceptance** - Notwithstanding any notice or agreement to the contrary, any verbal and/or written acknowledgment of this Purchase Order, or the shipment of any material or the furnishing of any services pursuant to the Purchase Order shall constitute acceptance thereof by the Supplier of each and all of the expressed terms and conditions stated above and stated or referenced on the face hereof.
15. **Access to Facilities** – Refer to TranSpec's Supplier Quality Requirements (SQR-1).
16. **Suspect/Fraudulent/Counterfeit Parts** – Refer to TranSpec's Supplier Quality Requirements (SQR-1) and the TranSpec Fasteners Fraudulent/Counterfeit Parts Mitigation Policy which can be found on the Partners page of our website - www.transpec.com.
17. **Prohibited Sources** – Refer to TranSpec's Supplier Quality Requirements (SQR-1).
18. **TranSpec Integrity Guide for Suppliers, Contractors and Consultants** - All conditions of the TranSpec Integrity Guide for Suppliers, Contractors, and Consultants are hereby incorporated into these Terms and Conditions. A copy of this Guide can be found on the Partners page of our website - www.transpec.com.
19. **Order of Precedence** – The various documents constituting this Purchase Order shall, insofar as is possible, be interpreted so as to be consistent with one another. In the event of a conflict or ambiguity arises in the interpretation of this Purchase Order, said conflict or ambiguity shall be resolved in accordance with the following Order of precedence with the first listed item having a higher precedence than later listed items: provisions required by statute, regulation or Government contract, along with any flowdown provisions related to such contract; provisions set forth on this Purchase Order; this Terms and Conditions document; TranSpec's Supplier Quality Requirements; the Statement of Work attached if any; Specification(s) approved by Buyer; and Drawing(s) approved by Buyer.