

## TERMS AND CONDITIONS OF PURCHASE ORDER

- A. Terms and Conditions** - No Terms and Conditions other than the terms and conditions set forth in this order and such items and conditions as are set forth in any document attached to or incorporated by reference in this order shall be binding unless specifically accepted by an authorized representative of TranSpec Fasteners, Inc.. Execution and delivery of this order shall not operate as such specific acceptance.
- B. Compliance with Laws** - Supplier shall comply with all applicable State, Federal and local laws, rules and regulations.
- C. Warranty** - Supplier warrants the goods and materials furnished under this order for workmanship, material and compliance with all specifications.
- D. Patent Infringement** - The Supplier agrees to defend at its own expense any suit or legal proceedings brought against TranSpec Fasteners, Inc. as a result of the normal use of any material or equipment furnished hereunder. In the event that TranSpec Fasteners, Inc. has given the Supplier prompt notice of such claim, the Supplier hereby agrees to reimburse TranSpec Fasteners, Inc. for expenses and costs resulting from that claim and to pay judgment that may be rendered against TranSpec Fasteners, Inc. This clause shall not apply to material or equipment furnished according to TranSpec Fasteners, Inc.'s written specifications.
- E. Transportation** - Unless otherwise stated on the face of this order, terms shall be F.O.B. Supplier's plant, title to pass to TranSpec Fasteners, Inc. 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](http://www.transpec.com/routing-guide) Items must be suitably packed for their protection to preclude damage during shipping and handling.
- F. Delivery Schedule** - Unless otherwise agreed, Supplier shall not make material commitments or production arrangements in excess of the amount or in advance of the time necessary to meet TranSpec Fasteners, Inc.'s delivery schedule. Supplier will not be liable for damages for delay of delivery beyond its reasonable control. However, TranSpec Fasteners, Inc. may, in addition to its other rights, at its option, either approve a revised delivery schedule or terminate in whole or in part, this order without liability to Supplier on account thereof. Supplier shipments 30 days or more prior to order schedule date will be returned to Supplier for shipment on the schedule date or payment will be made based on the TranSpec Fasteners, Inc., requested delivery date, not the date of the Supplier invoice.
- G. Liability** - The Supplier agrees that the relationship established by this 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 order, an obligation of TranSpec Fasteners, Inc.
- H. Changes** - TranSpec Fasteners, Inc. shall have the right to make changes in this order, but no additional charge will be allowed unless authorized by TranSpec Fasteners, Inc. If such change affects delivery or the amount to be paid by TranSpec Fasteners, Inc., Supplier shall notify TranSpec Fasteners, Inc. immediately, and negotiate an adjustment in accordance with this changes 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 Fasteners, Inc.'s delivery schedule.
- I. Termination** - TranSpec Fasteners, Inc. may terminate in part or in whole, work under this order at no charge except for those limited to the material in process at the time of the termination of the order and within the Supplier's normal manufacturing cycle needed to meet TranSpec Fasteners, Inc.'s delivery schedule.
- J. Quality Assurance** - The following sections establish the minimum requirements when providing material and/or services to TranSpec Fasteners, Inc.:
- Section A** - Products covered by a purchase order, and systems or special processes used to generate said product(s) are subject to evaluation and verification inspection by TranSpec Fasteners, Inc., DOD, FAA and any other government and/or customer representatives to determine their effectiveness in supporting quality requirements established above and to detailed drawing and specifications.
- Section B** - A supplier Certificate of Conformance (CofC) with authorized signatures must accompany each shipment. Compliance statement must indicate materials meet all purchase order and specification requirements, reference to the TranSpec Fasteners, Inc. purchase order number, part number, revision level, lot number or serial number (if applicable), quantity represented and the country of origin of the product being offered. The CofC must be signed by an authorized representative of the Supplier. The supplier should also be able to furnish heat numbers, batch, date code and cure dates as applicable.
- A Manufacturer's Certification of Conformance (Mfg. CofC) or Test Reports must accompany each shipment when required by the purchase order. The Mfg. CofC or test reports must be attached to the shipping documents or incorporate sufficient information to match it with the pertinent purchase order and specific shipment.
- Section C** - Records of inspections and tests directly related to acceptance of products must be maintained by Supplier for a minimum of 10 years and made available upon request by either TranSpec Fasteners, Inc. or its Customer. Longer record retention times may be specified on the purchase order.

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**Section D** - It is TranSpec Fasteners, Inc. policy to reject products and services that do not conform to contractual and specification requirements unless accepted in writing by TranSpec Fasteners, Inc. The Supplier must notify Purchasing Department of their intent to ship known non-conforming material prior to shipment to TranSpec Fasteners, Inc. Request for deviation and waivers shall be submitted to TranSpec Fasteners, Inc. in writing by Supplier and such non-conforming product will not be shipped until written authorization is received from TranSpec Fasteners, Inc.. Supplier will notify TranSpec Fasteners, Inc. of any changes to product or process definition, change of suppliers; change of manufacturing facility location and, in the case of such a change, obtain TranSpec Fasteners, Inc. written approval prior to shipment.

**Section E** - Acceptance of product shall not be used as evidence of effective control of quality by the supplier and shall not absolve the supplier of responsibility for acceptable products or preclude subsequent rejection by TranSpec customers.

**Section F** - All requirements cited herein and any customer requirements must be flowed down to sub-tier suppliers.

**K. Rejections** - If any of the materials furnished under this order are found to be defective in material, workmanship, or otherwise not in conformity with the requirements of this order, TranSpec Fasteners, Inc. 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 Fasteners, Inc.'s documented authorization via Purchase order amendment or re-issuance. Supplier shall promptly respond to all requests for corrective action. When requested, supplier shall submit corrective action responses within 30 days of notification of non-conformance.

**L. 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.

**M. 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.

**N. Access to Facilities** – Supplier shall provide or obtain for TranSpec Fasteners, Inc., TranSpec Fasteners, Inc. Customer and any regulatory authorities; right of access to any and all facilities, including those facilities of the supplier's subcontractors, where work is being performed.

### **O. Product Handling, Packing & Preservation:**

**Section A** - FOD (Foreign Object Debris/Damage): Supplier shall prevent foreign objects and debris damage to products covered under this purchase order. NAS-412 shall be used for guidance as applicable for Supplier's FOD prevention programs. Supplier shall flow down FOD requirements to sub-tier suppliers.

**Section B** – It is the responsibility of the supplier to ensure that the packaging is adequate to protect the components during transportation, handling and storage. Packaging containers shall be appropriate for the size, weight, and fragility of the components being packed.

**P. Suspect/Fraudulent/Counterfeit Parts** – Items furnished to TranSpec Fasteners, Inc. under all purchase orders shall not include suspect, fraudulent, or counterfeit parts nor shall such parts be used in performing any work. The recording of false, fictitious or fraudulent statements or entries on any documents may be punishable as a felony under federal statute. Further guidance on counterfeit parts avoidance can be found in SAE documents AS5553A and AS6081 for electronic components and AS6174 for non-electronic parts and assemblies. Further, all conditions of the TranSpec Fasteners Fraudulent/Counterfeit Parts Mitigation Policy are hereby incorporated into these Terms and Conditions. A copy of this Policy can be found on the Partners page of our website - [www.transpec.com](http://www.transpec.com).

**Q. Prohibited Sources** – TranSpec Fasteners, Inc., suppliers and/or sub-tier suppliers are prohibited from using any source listed on the US government Excluded Parties List System (EPLS) (ref. <https://www.sam.gov>) in the production of products delivered to TranSpec.

**R. Conflict Minerals** –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 Fasteners, Inc., 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 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.

**S. 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](http://www.transpec.com).