

TranSpec Fasteners, Inc.
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 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 may 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 may be returned to Supplier for shipment on the schedule date or payment may 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** - Refer to TranSpec Fasteners, Inc. Supplier Quality Requirements (SQR-1).
- 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

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expressed terms and conditions stated above and stated or referenced on the face hereof.

- N. Access to Facilities** - Refer to TranSpec Fasteners, Inc. Supplier Quality Requirements (SQR-1).
- O. Product Handling, Packing & Preservation** - Refer to TranSpec Fasteners, Inc. Supplier Quality Requirements (SQR-1).
- P. Suspect/Fraudulent/Counterfeit Parts** - Refer to TranSpec Fasteners, Inc. 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.
- Q. Prohibited Sources** - Refer to TranSpec Fasteners, Inc. Supplier Quality Requirements (SQR-1).
- 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.
- T. Order of Precedence** - The various documents constituting this 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 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 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.