

Fastco Industries, Inc.

General Terms and Conditions for Quoted Parts

The purpose of this document is to outline Fastco's expectations for products being quoted.

Issuance of a purchase order represents agreement to these conditions as applicable to the products on the order. This document does not replace or invalidate other business terms and conditions that may be stipulated by other Fastco documents or agreements. This document replaces previous terms, conditions, and exceptions as previously listed on quotes, and is subject to periodic review and update.

General:

1. Fastco reserves the right to re-quote the component if a customer purchase order is not received within 30 days from date quoted.
2. Fastco reserves the right to charge a \$350 processing fee for invoices when the invoice value does not exceed \$350.
3. Fastco reserves the right to correct typographical errors.
4. Fastco reserves the right to review each new purchase order against its original quotation and addendum before acceptance of the purchase order.
5. Fastco reserves the right to re-quote whenever revision changes are introduced.
6. Fastco reserves the right to charge the last agreed upon piece price for service orders; current minimum lot charges for manufacturing, heat treating, plating, and all other applicable outside operations will apply.
7. Fastco reserves the right to price quote based on the stated lot size specified by the customer.
8. Fastco reserves the right to re-price this quote if the customer's purchase orders or releases do not equate to the lot size specified on the original quote. A mutually agreed upon ramp up period to achieve stated lot sizes will be taken into consideration.
9. Fastco reserves the right to re-quote a part after the life of the program only and no more than five years.
10. Fastco reserves the right to re-quote if the component is subsequently added to other programs or platform.
11. Fastco reserves the right to ship and invoice plus/minus 10% of customer order quantities due to the potential for shrinkage in bulk fastener manufacturing, on all spot buys or service orders, without breaching the terms and conditions of the customer's purchase order.
12. Fastco reserves the right that these terms and conditions supersede subsequent customer supplier manuals received.
13. Fastco reserves the right to require that blanket purchase orders be reissued on an annual basis.
14. Fastco reserves the right to consider a customer's purchase order as written approval of quotes exceptions
15. Fastco reserves the right to make all good available for shipment at our facility. All quotes are FOB Fastco/ExWorks Fastco. Customer pays shipping cost and takes responsibility for the goods when the goods leave the seller's premises.
16. Fastco requires that the quotation be signed, dated and returned with the Purchase Order prior to kick off for record verification and retention.
17. If releases do not cover a minimum of the quoted lot size, the remainder of the balance will

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be shipped and billed within one calendar year of the production of the lot.

Payment Terms:

1. Fastco reserves the right to offer open Net 30 day terms on all quotes based on customer's credit worthiness.
2. Fastco reserves the right to change payment terms on all quotes based on customer's credit worthiness.

Sample & Development:

1. Fastco reserves the right to amortize tooling cost into the piece price. If this is specialized tooling or tooling for an outside source this will be included in the development charge. All tooling is perishable and remains the property of Fastco Industries, Inc.
2. Fastco reserves the right to charge standard piece price on approved sample overruns.
3. Fastco reserves the right to provide 1000 pieces with each sample run. If additional samples are required, additional minimum lot charges will apply.
4. Fastco reserves the right to include a level 3 PPAP in the development charge. If a PPAP is not needed for the sample run, a rebate may be requested. PPAP submissions are governed by the AIAG PPAP manual. The extent of our process control is detailed in our control plan. Approval of PPAP represents acceptance of Fastco's control plan.

Steel Pricing:

1. Fastco reserves the right to re-price or seek additional compensation through an agreed upon mechanism such as material surcharge, whenever the price of material increases in excess of 15% over the price of raw material used in this quotation. All surcharge calculations are performed using a short ton as opposed to metric ton per American Metal Market.
2. The basis for measuring material price volatility will be the Chicago #1 Scrap Busheling Index, Steel Scrap Index/Ton: as published monthly by MNP, as well as annual pricing agreements with the primary steel mills for this product; Nucor and Charter. A combined 15% change in the busheling price and quoted base price from the time of the Fastco quote will trigger a pricing review. If judged by Fastco to be necessary and appropriate, a requote and repricing of the part will be completed. We will contact the customer with any necessary pricing adjustments, in accordance with other agreements we have in place.

Quality:

1. Our price includes 100% electronic inspection for the presence of thread, length under head, foreign material, and other characteristics to be determined during the sample cycle; or our price includes 100% electronic inspection and eddy current inspection for presence of thread, length under head, hardness, foreign material, and other characteristics to be determined during the sample cycle; or our price includes 100% roller sorting for the elimination of foreign material.
2. Fastco reserves the right to provide an annual re-validation at a cost of \$350.00 per incident. Additional PPAPs beyond the original sample lot, such as annual validations, will be quoted separately.
3. Fastco reserves the right to require any information regarding the safety status or any other

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regulatory requirements pertaining to this part. Material Certifications: Material verification consists of a five element chemistry mill certification.

4. Fastco reserves the right to verify conformance to the hardness specifications via heat treat service certification as appropriate. (Performance verification) When applicable Fastco will test hardness and tensile only (see quality #5)

5. Fastco reserves the right to verify conformance to the finish specification via the finisher's service certification where applicable. (Finish verification)

6. Fastco reserves the right to provide additional verifications and lab work beyond the extent of our customary service level to be performed at the customer's request for an additional charge.

7. Fastco reserves the right to gage all threads in appropriate Go/No Go gages using finger pressure except where gaging is exempt per applicable OEM specifications; however parts larger than M6 which are not hardened and require barrel plating cannot be guaranteed to gage 100%. (Thread condition)

8. Fastco reserves the right on parts with a temporary finish such as plain, pickle and seal, phosphate etc..., to package with VCI rust inhibiting paper. Fastco only guarantees rust free parts for these finishes up to 30 days after delivery. We expect parts to be stored in an environment that can reasonably be expected to protect them from harsh conditions likely to cause rusting.

9. Fastco reserves the right to clean, or remove light surface corrosion from parts with temporary or no finishes by reworking product in either a pickle and seal operation, or vibratory corrosion removal to extend product viability and shelf life. This poses no threat to product and may be performed without communication with the customer.

10. Fastco reserves the right that SPC, inspection data, and test procedures will be performed in accordance with the Fastco control plan.

11. Fastco reserves the right to address cracked head issues using ISO 6157-1 section 3.1.3 at a rate not to exceed 25 PPM.

12. Fastco reserves the right to produce parts to the print submitted at the time of quotation. If parts meet print requirements, Fastco cannot be held liable for functional issues that are not called out on the customer's print.

13. Fastco will not be held responsible for damage, dents, bends, burrs, nicks, or dings as a result from the bulk handling process.

14. Paint based coatings may exhibit plating build up in recess fills, bridging, or irregular surface or touch marks. Fastco will not be responsible for additional costs associated with sorting or reprocessing for this condition.

Exceptions:

Fastco reserves the right to apply exceptions to the conditions listed above, in cases where both Fastco and our customer agree to changes that would be mutually beneficial, and which comply with the required quality standards.

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