

# Fastco Industries, Inc.

## General Terms and Conditions

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.

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17. If releases do not cover a minimum of the quoted lot size, the remainder of the balance will 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.

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3. Fastco reserves the right to require any information regarding the safety status or any other 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:

1. 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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## **ADDITIONAL INVOICE TERMS AND CONDITIONS**

### **IMPORTANT – READ CAREFULLY**

**ALL TRANSACTIONS BETWEEN YOU (“CUSTOMER”) AND FASTCO ARE SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS. THESE TERMS AND CONDITIONS SUPERSEDE ANY CONTRADICTORY PROVISION IN ANY DOCUMENT PROVIDED BY CUSTOMER.**

1. Fastco warrants that the equipment, parts, or other goods covered by this invoice have been manufactured to accepted industry standards. Equipment, parts, or other goods which prove defective in material and workmanship under normal and proper usage will be repaired and/or replaced, at Fastco’s option, for a period of one (1) year from the date of this invoice provided Customer has complied in full with the terms and payment and other conditions of this invoice. This is Customer’s sole and exclusive remedy.

**2. EXCEPT AS EXPRESSLY STATED HEREIN, THERE ARE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE, OF THE GOODS OR SERVICES FURNISHED UNDER THIS TRANSACTION BY FASTCO. FASTCO SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ARISING FROM A COURSE OF DEALING OR USAGE OR TRADE. FASTCO SHALL HAVE NO OTHER LIABILITY TO CUSTOMER IN CONNECTION WITH THE GOODS OR SERVICES FURNISHED UNDER THIS TRANSACTION, INCLUDING WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ANY LIABILITY FOR DIRECT, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES OR ANY INJURY OR DAMAGES TO PERSONS AND PROPERTY. FASTCO SHALL HAVE NO LIABILITY TO CUSTOMER FOR ANY PRODUCT LIABILITY CLAIM AND CUSTOMER SHALL INDEMNIFY AND HOLD FASTCO HARMLESS AS TO ANY PERSONAL INJURY CLAIM RELATING TO USE OF THE GOODS PROVIDED BY FASTCO. FASTCO IS NOT LIABLE FOR DELAY, DAMAGE OR LOSS DUE TO CAUSES RELATING TO ACTS OF GOD, EXPLOSIONS, TRANSPORTATION, ACCIDENT, FIRE, STRIKE, CIVIL OR MILITARY AUTHORITY, INSURRECTION OR OTHER CAUSES BEYOND FASTCO’S CONTROL, OR ANY PRODUCTION LOSS DUE TO LATE DELIVERY OR FAILURE OF ANY FASTCO EQUIPMENT. ALSO, FASTCO’S LIABILITY TO CUSTOMER SHALL CEASE ONCE ANY FURTHER PROCESSING, ASSEMBLING OR ANY OTHER WORK HAS BEEN UNDERTAKEN ON SAID MATERIAL.**

**3. THE CUSTOMER AGREES TO ACCEPT THE LIMITS OF LIABILITY AS SET FORTH HEREIN TO THE EXCLUSION OF ANY AND ALL PROVISIONS AS TO LIABILITY ON THE CUSTOMER’S OWN INVOICES, PURCHASE ORDERS, OR OTHER DOUCUMENTS. IF THE CUSTOMER DESIRES HIS OWN PROVISIONS AS TO LIABILITY TO REMAIN IN FORCE AND EFFECT, THIS MUST BE AGREED TO IN WRITING, SIGNED BY AN OFFICER OF FASTCO. IN SUCH**

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**EVENT, A DIFFERENT CHARGE FOR OTHER SERVICES REFLECTING THE HIGHER RISK TO FASTCO SHALL BE DETERMINED BY FASTO AND CUSTOMER.**

**4. FOR ANY CLAIMS ARISING OUT OF THIS TRANSACTION, CUSTOMER MUST COMMENCE AN ACTION WITHIN ONE YEAR FROM THE DATE OF WHEN THE CAUSE OF ACTION FIRST AROSE OR SUCH CLAIM IS WAIVED. THE PARTIES AGREE THAT ANY CONTROVERSY OR CLAIM ARISING OUT OF THIS TRANSACTION, OR CLAIMED BREACH THEREOF, SHALL BE GOVERNED BY THE LAWS OF THE STATE OF MICHIGAN AND VENUE FOR ANY SUCH ACTION SHALL BE IN A COURT OF PROPER JURISDICTION IN THE COUNTY OF KENT, STATE OF MICHIGAN. FASTCO, IF IT PREVAILS IN ANY COURT ACTION, SHALL BE ENTITLED TO ALL REASONABLE ATTORNEYS' FEES, COSTS AND OTHER EXPENSES INCURRED IN SUCH ACTION AND IN ANY SUBSEQUENT EFFORTS TO COLLECT THE AMOUNT AWARDED.**

5. It shall be the duty of the Customer to inspect the parts or other goods which are the subject of this invoice immediately upon its delivery. In any event, notices related to any nonconformance must be reported prior to the time that any further processing, assembling, or any other work is undertaken.

6. No claims for shortage in weight or count will be entertained unless presented within Five (5) working days after receipt of materials by Customer.

7. Failure to meet payment per invoice terms may result in suspension of shipments. Fastco will not be held liable for any charges arising out of non-shipment for credit reasons.

8. In the event of cancellation of a job in progress by Customer, Customer will reimburse Fastco for all labor and/or material costs associated with the job plus 15% of the total transaction price. In no event will this amount exceed the full purchase price. Fastco shall have the right to stop work and to keep the job idle if payments are not made when due. Fastco shall be held harmless from all job site related liabilities during such period.

9. Nothing herein shall exclude any other rights or remedies to which Fastco is entitled by law or equity.

10. Customer agrees to indemnify and hold Fastco harmless, and assume any legal liability to defend Fastco, its agents, employees, officers and directors, from any claim or action by any third party arising out of the performance of work pursuant to this transaction except those claims or actions arising out of incidents caused by employees or agents of Fastco.

11. If any portion of these terms and conditions is found to be unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect as if these terms and conditions had been adopted with the invalid portion thereof eliminated.

12. All the terms and provisions of this transaction shall be binding upon, shall inure to the benefit of, and shall be enforceable by the respective heirs, beneficiaries, personal representatives, successors and assigns of the parties to this transaction.

13. These terms and conditions are for the benefit of the parties, their successors and assigns, and are not for the benefit of any third party..

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14. The parties agree that if any term of this transaction is found to be ambiguous then such term shall not be construed against Fastco.

15. The parties intend to be independent contractors and nothing in these terms and conditions or related documents shall be construed to create a partnership or joint venture.