



# AFC Industries, Inc.

## Terms and Conditions

Policy: CP-001  
Revision: 17MAY2024

### AFC PURCHASE ORDER TERMS AND CONDITIONS

This Purchase Order includes and is subject to the following covenants, terms and conditions.

1. OFFER. ACCEPTANCE, MODIFICATION. Written acceptance of this Purchase Order, commencement of performance of any work or services, or shipment of goods, pursuant to this Purchase Order shall constitute acceptance of this Purchase Order. Such acceptance is limited to these terms and conditions. All terms and conditions proposed by Seller that are different from or in addition to this Purchase Order are expressly rejected by Buyer. No purported verbal agreement or other understanding that attempts in any way to modify the conditions of the agreement resulting from this Purchase Order will be binding upon Buyer. Any modification to this Purchase Order shall be made only in writing signed by both parties to this Purchase Order.

2. PRICE. This Purchase Order shall not be filled at prices higher than those specified on the Purchase Order, unless otherwise agreed to in writing by the Buyer. The price specified on this Purchase Order includes all costs, including without limitation all subcontracting costs associated with this Purchase Order. Buyer shall have no responsibility for any increased costs incurred by Seller in connection with any subcontractors, suppliers or other third parties unless such additional costs shall have been negotiated and agreed to in writing by Buyer.

- The prices specified on this Purchase Order include all federal, state and local taxes, tariffs, duties and similar fees that Seller is required by law to collect from Buyer and from which Seller cannot obtain an exemption and that Buyer is required to pay. Such taxes, tariffs, duties and fees shall be separately stated on Seller's invoices and shall be paid by Buyer, unless an exemption is available. Seller shall be solely responsible for the remittance of all such taxes to the proper taxing authorities. Seller shall submit evidence as required by Buyer that all such required taxes have been collected and paid.

- Unless otherwise agreed to in writing by the Buyer, the price specified on this Purchase Order includes all charges for packing, crating, cartage, storage, drayage, and transportation to the F.O.B. point. Seller shall pay all delivery charges in excess of what Buyer has agreed to pay.

- Seller warrants that the prices will comply with applicable government law and regulations.

3. SHIPPING AND PACKING. Seller agrees to properly pack, mark and ship goods, both complete and broken packages and/or cartons, in accordance with the requirements of Buyer and involve carriers in a manner to secure the lowest transportation costs. All shipments shall be routed in accordance with instructions from Buyer. Seller agrees to properly mark each package with the purchase order number, and where multiple packages comprise a single shipment, to consecutively number each package. All shipments shall be accompanied by a packing slip, which clearly and accurately describes the articles in English, provides the correct classification identification of the goods being shipped in accordance with Buyer's instructions, states the Purchase Order number, and shows the shipment's destination. Seller agrees to promptly forward the original bill of lading or other shipping receipt for each shipment in

accordance with Buyer's instructions. No charges will be allowed for packing, crating, cartage, storage, drayage, and transportation unless stated in this Purchase Order.

- Equipment shipped hereunder must be shipped without oil or any other fluids and must comply with all Buyer's specifications concerning compliance with local, state, and federal environmental regulations, including, but not limited to, those dealing with air pollution control, waste water control, chemical usage, and employee exposure. Seller shall bear all liability for spillage if the shipment does not so comply.

4. DELIVERY — RISK OF LOSS. Deliveries shall be made both in quantities and at times specified on the face of this Purchase Order or in Buyer's schedules and time is of the essence. Buyer shall not be required to make payment for goods delivered to Buyer that are in excess of quantities specified in Buyer's delivery schedule on this Purchase Order or in written releases issued by Buyer. Buyer may reject any deliveries made after or before the specified delivery date.

- In the event Seller fails to meet the agreed upon delivery requirements for reasons other than those specified in paragraph 13 below, and Buyer requires a more expeditious method of transportation for the goods than the transportation method originally specified, Seller shall ship the goods as expeditiously as possible at Seller's expense.

- Seller will, upon Buyer's request, suspend shipment and delivery of goods or performance of work and operations for such periods as Buyer may request. Buyer will not be held liable for the manufacture by Seller in advance or delivery of any good in advance of Buyer's schedule. At Seller's cost, Buyer may, at its option, return all goods received by Buyer in advance of scheduled delivery dates.

- Unless provided otherwise in this Purchase Order, all goods shall be sold F.O.B Buyer's destination. Seller shall be responsible for and bear the risk of any loss or damage to the goods until accepted by the Buyer.

5. INVOICING. Seller agrees to promptly render after delivery of goods or performance of services, correct and complete invoices to Buyer and to accept payment by check or, at Buyer's discretion, other cash equivalent (including purchase cards or electronic transfer of funds). Payment shall be due net 60 following Buyer's receipt of a complete and accurate invoice. Buyer may withhold payment pending receipt of evidence, in such form and detail as Buyer may direct, of the absence of any liens, encumbrances, and claims on the goods or services provided under this Purchase Order. Buyer may set off any amount owed by Seller or any of its affiliated companies to Buyer, against any amount owed by Buyer to Seller under this Purchase Order.

6. WARRANTIES OF SELLER. Seller represents, warrants and covenants that the services and goods, as applicable, will be performed and/or delivered as follows: (a) in a professional, good and workmanlike manner; (b) using reasonable care consistent with not less than the highest industry standards; (c) by personnel of Seller having a level of skill in the area commensurate with the requirements to be performed; (d) in accordance with and compliance with all applicable laws; (e) in compliance with the specifications; and (f) within the time frames set forth in the Purchase Order, if no time frame is specified, within a reasonable time. Seller further represents, warrants and covenants that all goods will be: (i) new and merchantable, free from defects in design, workmanship, and materials; (ii) suitable for their intended purpose; (iii) free and clear of any liens, claims, interest or encumbrances of any kind; and (iv) in conformance with this Purchase Order, specifications, drawings, samples, and descriptions furnished to or by the Buyer. Seller further represents, warrants and covenants, that it: (A) has the right to provide the services and goods to Buyer, and (B) will provide the services and goods without

infringement or violation of any patent, copyright, trademark, technical information, know-how, trade secret, proprietary information, contractual or proprietary right, or other intellectual property right(s). All goods and services are subject to Buyer's inspection. Payment for, inspection of, or receipt of goods or services shall not constitute acceptance of the goods or a waiver of any breach of warranty.

7. REJECTION OF GOODS. Nonconforming or defective goods may be returned to the Seller for, at the Buyer's option, full credit or replacement with new goods at the Seller's risk and expense, including all expenses for labor, line stoppages, line shutdown, variable overhead, materials, and lost productivity in dealing with or removing the defective parts, and all charges for handling, sorting, packaging and transportation both ways. No replacement of nonconforming goods may be made except as authorized by a replacement Purchase Order signed by Buyer.

8. PRODUCT IDENTIFICATION AND TRACEABILITY. Seller agrees to provide 100% lot control identification and traceability for all items within this Order. Product lot control identification must be legible, indelible and permanently affixed to each product package and/or container.

9. CHANGES. Buyer, at any time, in writing may make changes in the drawings, designs and specifications of the goods or otherwise change the scope of the work covered by this Purchase Order, including work with respect to such matters as drawings, designs, specifications, inspection, testing or quality control, the method of packing and shipping, the place of delivery, shipping instructions, and quantity or delivery schedules. Seller agrees to promptly make such changes. If such changes affect the cost or time required for performance, and if Seller makes claim for adjustment in writing to Buyer within five (5) days of receipt of notification of change, the parties may agree to an equitable adjustment, such adjustment to be in writing and mutually agreed upon. If Seller fails to make a claim for adjustment, such claim for equitable adjustment is waived and the Purchase Order shall be deemed to be modified. Seller shall diligently continue performance of the Purchase Order, as changed, pending agreement on the amount of an equitable adjustment. Nothing contained in this Purchase Order shall relieve or excuse Seller from proceeding without delay in performing this Purchase Order as changed. Seller shall not make any change in design, processing, packing, shipping, or place of delivery without Buyer's prior written approval.

10. TERMINATION FOR BANKRUPTCY. Buyer may immediately terminate this Purchase Order without liability upon the happening of any of the following or any other comparable event: (i) insolvency of the Seller; (ii) filing of a voluntary or involuntary petition in bankruptcy by or against Seller; (iii) appointment of a receiver or trustee for Seller; (iv) any accommodation by Buyer, financial or otherwise, not contemplated by this Purchase Order, that is necessary for Seller to meet its obligations under this Purchase Order; or (v) execution of an assignment for the benefit of creditors by Seller, provided that such petition, appointment, or assignment is not vacated or nullified within fifteen (15) days after such event. Seller will reimburse Buyer for all costs Buyer incurs in connection with any of the foregoing whether or not this Purchase Order is terminated, including, but not limited to, all attorneys' or other professional fees.

11. TERMINATION FOR CONVENIENCE. In addition to any other rights of Buyer to cancel or terminate this Purchase Order, Buyer may terminate all or any part of this Purchase Order at any time and for any reason by giving written notice to Seller. Upon receipt of such notice, Seller will immediately stop work on this Purchase Order or the terminated portion thereof, and notify any subcontractors to do likewise. Buyer shall pay to Seller the Purchase Order price for all goods or services that have been completed in accordance with this Purchase Order and not previously paid for. Where articles or materials are to be specifically manufactured for Buyer hereunder and where Seller is not in default, an equitable

adjustment shall be made to cover Seller's actual cost, excluding profit, for work-in-process and raw materials as of the date of termination to the extent such costs are reasonable in amount and are properly allocable or apportionable under generally accepted accounting principles to the terminated portion of this Purchase Order. Buyer will not be liable for any charges or expenses incurred by Seller in advance of the normal lead time necessary to meet scheduled delivery dates nor for any expenses, charges or liability incurred subsequent to the giving of notice of cancellation. Buyer will make no payments for finished goods, work-in-process, or raw materials in amounts in excess of those authorized by Buyer or for any undelivered goods which are in Seller's standard stock or which are readily marketable. Seller shall submit any claim to Buyer within thirty (30) days after the date of termination or such claim shall be waived. Payments made to Seller under this Section 11 represent the sole responsibility of Buyer and the sole and exclusive remedy of Seller in case of cancellation of the Purchase Order and Seller agrees not to charge any other costs, expenses or fees to Buyer nor shall Buyer be liable for any other costs, expenses or fees arising out of the cancellation or termination of the Purchase Order under this Section 11.

12. TERMINATION FOR DEFAULT. In addition to any other remedies or rights afforded by law, Buyer reserves the right to cancel all or any part of this Purchase Order, for default of Seller, if Seller: (i) repudiates or breaches any of the terms of this Purchase Order, including Seller's warranties; (ii) fails to perform services or deliver goods as specified by Buyer; or (iii) fails to make progress so as to endanger timely and proper completion of services or delivery of goods, and does not correct such failure or breach within ten (10) days after receipt of written notice from Buyer specifying such failure or breach. If Buyer terminates its purchase obligations pursuant to this Section 12, Buyer shall have no obligations to Seller in respect of the terminated portion of this Purchase Order and Buyer's liability shall be limited to the delivered portion of this Purchase Order at the rate specified on the face hereof. Buyer shall be entitled to recover all damages or losses attributable to such repudiation, breach, or failure by Seller.

13. EXCUSABLE DELAYS. Neither party shall be liable for a failure to perform that arises from causes or events beyond its reasonable control and without its fault or negligence, including but not limited to acts of God or the public enemy, actions by any domestic or foreign governmental authority (whether valid or invalid), fires, riots, wars, sabotage, acts of terrorism, labor problems (including lockout strikes and slowdowns), or inability to obtain materials. The affected party shall give written notice of such delay, including the anticipated duration thereof, to the other party within ten (10) days of the beginning of the delay. If Seller is the affected party, Seller shall take all reasonable action, including, but not limited to, utilizing temporary production facilities or a temporary workplace, or moving existing tooling to third party production facilities in order to ensure that the supply of product meets the requirements of this Purchase Order. During the period of such delay or failure to perform by Seller, Buyer may purchase goods from other sources and reduce its schedule to Seller by such quantities without any liability. If requested by Buyer, Seller shall, within ten (10) days of such request, provide adequate assurances that the delay shall not exceed thirty (30) days. If the delay lasts more than thirty (30) days or Seller does not provide adequate assurances that the delay will cease within thirty (30) days, Buyer may immediately cancel this Purchase Order without liability.

14. LABOR DISPUTES. Seller will provide at least four months' written notice to Buyer prior to the scheduled expiration of any current labor contract. If requested by the Buyer, Seller will establish, at Seller's expense, a 30-day inventory of finished goods, at a site mutually agreed upon with Buyer, prior to the expiration of any such labor contract. Seller will notify Buyer immediately of any actual or potential labor dispute delaying or threatening to delay the timely performance of any open purchase order.

15. PATTERNS, TOOLS, AND EQUIPMENT. Buyer shall have title to and the right of immediate possession of any pattern, tools, jigs, dies, equipment or materials furnished or paid for by Buyer, and Seller shall not use such tooling while in its possession for any work other than that of Buyer. In the event Seller purchases such tooling with Buyer's funds or is reimbursed by Buyer, Seller shall execute a Bill of Sale and any and all other documents necessary to transfer title free and clear of any liens to Buyer. While in Seller's possession, such property shall be held by Seller as a bailee and shall be maintained in good and usable condition at no further cost to Buyer. Seller shall maintain and administer a program for the maintenance, repair and preservation of such property, and appropriate identification of its ownership in accordance with sound industrial practice. When requested, Seller shall furnish inventory schedules on the property, or return the property to Buyer in the condition in which it was received, except for reasonable wear and tear and consumption in the normal performance of work for Buyer. Any material furnished by Seller and paid for by or charged to Buyer shall be owned by Buyer and held by Seller as a bailee and Seller shall assume the risk for any damage or loss thereto. Seller shall indemnify and hold Buyer, its agents and employees, harmless against all claims, demands, liabilities, costs and expenses, based upon or arising out of the use, storage or handling of the equipment and/or tooling until returned to Buyer's possession. Seller shall sign, or hereby authorizes Buyer to sign on its behalf, any documents deemed reasonably necessary by Buyer, to be filed with Federal, State or local officials to record Buyer's title and interest in any patterns, tools, jigs, dies, equipment or materials furnished or paid for by Buyer.

16. NON-DISCLOSURE OF INFORMATION, DESIGNS AND DATA. Seller agrees not to make any use of the data, drawings, specifications or other engineering or business information furnished or disclosed by Buyer except for the performance of this contract. Seller agrees not to disclose such data, drawings, specifications or other information to any third party except for the performance of this contract and under similar restrictions against use and disclosure. Upon completion, cancellation or termination of this contract, Seller will promptly return to Buyer such data, drawings, specifications and other information, including any copies made by Seller. Seller shall not, in any manner, without first obtaining the written consent of Buyer, advertise or publish the fact that Seller has contracted to furnish Buyer the goods or services herein ordered, and shall not, in any manner, use any trademarks or trade names of Buyer in Seller's advertising or promotional materials. In the event of Seller's breach of this provision, Buyer shall have the right to cancel the undelivered portion of any goods or services covered by this Purchase Order and shall not be required to make further payments except for conforming goods delivered or services rendered prior to cancellation.

17. INTELLECTUAL PROPERTY. Seller warrants that any materials, supplies or other goods furnished by Seller or its affiliates to Buyer will not infringe any United States or foreign patent, trademark, copyright, or mask work right by reason of their manufacture, use or sale, and will not misuse or misappropriate any trade secret.

- Seller agrees to (i) indemnify, defend, and hold harmless Buyer, its agents, employees, successors and customers against all such claims, demands, losses, suits, damages, liabilities and expenses (including reasonable attorneys' fees) arising out of any suit, claim or action for actual or alleged direct or contributory infringement of, or inducement to infringe, any patent, trademark, copyright, or mask work right by reason of the manufacture, use, or sale of the goods or services obtained pursuant to this Purchase Order, including infringement arising out of compliance with specifications furnished by Buyer, or for actual or alleged misuse or misappropriation of a trade secret resulting directly or indirectly from Seller's actions; (ii) waive any claim against Buyer under the Uniform Commercial Code or otherwise, including any copyright or mask work right infringement or the like, including claims arising out of compliance with specifications furnished by Buyer; and (iii) grant to Buyer a worldwide, non-exclusive, royalty-free, irrevocable license to repair and have repaired, to reconstruct

and have reconstructed, the goods ordered by this Purchase Order. Seller assigns to Buyer all right, title and interest in and to all trademarks, copyrights and mask work rights in any material created for Buyer under this Purchase Order.

18. INDEMNIFICATION AND INSURANCE. Seller shall indemnify, defend, and hold harmless Buyer, its agents, employees, customers, and users of its and their products against any and all suits, actions or proceedings, at law or in equity, and from any and all claims, demands, losses, judgments, damages, costs, expenses, or liabilities, including reasonable attorneys' fees, resulting from, whether directly or indirectly, or in any way connected with the performance of this contract by Seller or the goods provided hereunder, or with respect to matters and allegations that the goods are defective, unfit or unsafe, or that the goods do not meet applicable laws or regulations, even if the loss results from the, concurrent or partial negligence of Buyer. At Buyer's request, Seller shall defend such claims or suits at Seller's expense by reputable counsel satisfactory to Buyer.

- Seller shall, at its expense, maintain insurance coverage in amounts satisfactory to Buyer for Workers' Compensation, Employer's Liability and Comprehensive General Bodily Injury and Property Damage. Seller shall furnish Buyer with certificates setting forth the amounts of coverage, policy number(s) and expiration date(s). Insurance coverage shall be in amounts not less than the following: (a) Worker's Compensation — Statutory Limits for the state or states in which the Purchase Order is to be performed; (b) Employer's Liability - \$250,000; (c) Comprehensive General Liability (including but not limited to Products/Completed Operations and Blanket Contractual Liability) - \$1,000,000 per person, \$1,000,000 per occurrence for Personal Injury, and \$1,000,000 per occurrence for Property Damage; or, \$1,000,000 per occurrence for Personal Injury and Property Damage combined single limit; and (d) Automotive and other Vehicle Liability (including owned, non-owned and hired vehicles) - \$1,000,000 per person, \$1,000,000 per occurrence for Personal Injury and \$1,000,000 per occurrence for Property Damage; \$1,000,000 per occurrence for Personal Injury and Property Damage combined single limit. If further requested by Buyer, such certificates will provide that Buyer shall receive thirty (30) days prior notification from the insurer of any termination or reduction in the amount or scope of coverage and further, if requested by Buyer, will list Buyer as an additional insured. Seller's purchase of appropriate insurance coverage or the furnishing of certificates of insurance shall not release Seller of its obligations or liabilities under this Purchase Order. In the event of Seller's breach of this provision, Buyer shall have the right to cancel the undelivered portion of any goods or services covered by this Purchase Order and shall not be required to make further payments except for conforming goods delivered or, services rendered prior to cancellation.

19. TECHNICAL INFORMATION. Seller agrees not to assert any claim (other than a claim for patent infringement) with respect to any technical information that Seller has disclosed or may hereafter disclose to Buyer in connection with the goods or services covered by this Purchase Order.

20. MATERIAL COMPOSITION DISCLOSURE AND MATERIAL SAFETY DATA AND PROP 65. If requested by Buyer, Seller shall promptly furnish to Buyer in such form and detail as Buyer may direct: (a) a list of all chemical components in the goods purchased hereunder and in the packaging in which such goods were supplied; (b) the amount of such chemical components; and (c) information concerning any changes in or additions to such chemical components. Prior to and with the shipment of the goods purchased hereunder Seller agrees to furnish to Buyer sufficient documented warning and notice, in writing (including appropriate labels on goods, containers and packaging), of any hazardous material which is a chemical component or a part of any of the goods, and/or the packaging in which such goods were supplied, together with such special handling instructions as may be necessary to advise carriers, Buyer, subsequent purchasers and/or users, and their respective employees of how to exercise that measure of

care and precaution which will best prevent bodily injury or property damage or environmental damage in the handling, transportation, processing, use, or disposal of the goods, as well as containers and packing in which the goods were shipped to Buyer. If applicable, Seller represents and warrants that it is compliant with California's Safe Drinking Water and Toxic Enforcement Act of 1986, a/k/a "Proposition 65", including the regulations effective August 30, 2018 ("Prop 65") and will notify Buyer of any Prop 65 compliance requirements for each good subject to this Purchase Order by submitting to the Buyer all the information required by Prop 65 including the specific Prop 65-compliant warning to be used for Seller's goods which (1) states that the goods may result in an exposure to one or more Prop 65 listed chemicals; (2) includes the exact name or description of the goods or specific identifying information for the goods such as a UPC or other identifying designation; and (3) includes all necessary warning materials such as labels, labeling, signs or tags, and warning language (collectively the "Prop 65 Information"). It is the Seller's obligation to notify Buyer of any periodic updates or changes to the Prop 65 Information required by Prop 65. Seller agrees to defend, indemnify and hold Buyer and Buyer's Indemnities harmless from and against any loss, claim, demand, liability, damage, suit, cost or expense, including attorneys' fees, suffered or incurred by Indemnities in connection with a breach of this Section 20, Seller's failure to comply with Prop 65, or Seller's failure to notify, deliver or update any Prop 65 Information with Buyer.

21. COMPLIANCE. In providing goods or services hereunder, Seller will comply with any and all applicable federal, state, local, and foreign laws and regulations, including but not limited to the Federal Occupational Safety and Health Act of 1970, the Foreign Corrupt Practices Act, the Federal Hazardous Substances Act, the Transportation Safety Act of 1974, the Hazardous Materials Transportation Act, the Clean Air Act, the Toxic Substances Control Act, the Federal Water Pollution Control Act, and Sections 6, 7, and 12 of the Fair Labor Standards Act, and such amendments to such Acts and regulations, policies, and laws promulgated thereunder.

- Seller represents that it is in compliance with all federal laws, rules, and regulations relating to contracting with small and disadvantaged business concerns and to equal employment opportunity and affirmative action in the employment of minorities, women, individuals with disabilities, and certain veterans. All such laws, rules, and regulations are incorporated herein by reference and Seller agrees not to discriminate against any employee or applicant for employment because of age, race, color, religion, sex, national origin, veterans' status, or physical/mental disability that is not related to the performance of the specific position.

- Seller will indemnify, defend, and hold harmless Buyer, its agents, employees, customers, and users of its and their products against any and all suits, actions or proceedings, at law or in equity, and from any and all claims, demands, losses, judgments, damages, costs, expenses, or liabilities, including reasonable attorneys' fees, resulting from or arising out of any failure of Seller or Seller's employees, agents, and subcontractors to comply with any applicable laws and regulations.

- Seller agrees to provide all information necessary for Buyer to comply with all applicable laws, regulations and related legal reporting obligations in the country(ies) of destination. Seller agrees to provide all documentation and/or electronic transaction records to allow Buyer to meet customs related obligations, any local content/origin requirements, and to obtain all tariff and trade program duty avoidance(s) and/or refund benefits, where applicable. Seller further agrees to assume, and to indemnify Buyer against, any and all financial responsibility arising from Seller's failure to comply with these requirements and/or to supply Buyer with the information required to meet legal reporting obligations, including, without limitation, any fines, penalties, forfeitures, or counsel fees incurred or imposed as a result of actions taken by the importing country's government.

- CUSTOMS-TRADE PARTNERSHIP AGAINST TERRORISM (“C-TPAT”). Seller shall certify in writing that it is either a participating member of the C-TPAT program as promulgated by the U.S. Customs and Border Protection Bureau or that is in compliance with all applicable supply chain security recommendations or requirements of the C-TPAT program initiative (for more information go to [http://cbp.gov/xp/cgov/import/commercial\\_enforcement/ctpat/](http://cbp.gov/xp/cgov/import/commercial_enforcement/ctpat/)). Seller shall indemnify and hold buyer harmless from and against any liability, claims, demands or expenses (including attorneys’ or other professional fees) arising from or relating to Seller’s noncompliance.

22. RIGHT TO AUDIT. Buyer shall have the right, at any reasonable time, to send its authorized representatives to examine all of the Seller’s documents and materials relating to Seller’s obligations hereunder or relating to Seller’s charges to Buyers. Seller shall maintain all pertinent books and records relating to this Purchase Order for a period of four (4) years after completion of delivery of products pursuant to this purchase order.

23. ETHICAL CONDUCT. Buyer expects its employees and Seller’s employees to deal with one another in strict observance of the highest legal and ethical standards. Buyer’s policies prohibit the acceptance of gifts, services or anything of such value that the good judgment of the recipient might be influenced or that a third party might reasonably perceive as influencing that judgment. Seller shall avoid any action to induce Buyer’s agents and employees to accept any improper consideration, whether legal or illegal. Supplier warrants that no such consideration has been offered or provided to any of Buyer’s agents or employees. Buyer reserves the right, and by acceptance of this Purchase Order, Seller hereby agrees to allow Buyer to audit any of Seller’s records that are deemed necessary by Buyer to ensure compliance with Buyer’s policies.

24. QUALITY. Seller agrees to process and package all goods supplied to Buyer in conformity with the Purchase Specifications provided. Seller will maintain adequate quality management systems at the production facility with documented process controls, including consistent quality inspection and testing, to assure that all production processes are statistically capable and in control and that goods shall consistently conform to specified requirements. Seller shall, at Buyer’s request, furnish substantiated results of quality control inspections and testing. Seller agrees to obtain Buyer’s prior approval and supply any applicable drawings or specifications with regard to any process changes that affects the production of goods ordered by Buyer pursuant to this Purchase Order, including any change of manufacturers, material suppliers, equipment changes, process changes and/or change of location of capital equipment or tooling. Supplier must obtain Buyer’s written approval prior to any change taking effect. Where applicable, Seller agrees to fully comply with the latest revision of the Automotive Industry Action Group (AIAG) Production Part Approval Process (PPAP) reference manual at no additional cost to Buyer. Seller agrees that Buyer and Buyer’s customer shall have the right to enter Seller’s production facility and warehouse facility at reasonable times to inspect the facility, manufacturing processes, goods, materials and any property of Buyer covered by this Purchase Order, or covered by any writing signed by an authorized representative of Buyer. Buyer’s inspection of the goods, whether during manufacture, prior to delivery or within a reasonable time after delivery, shall not constitute acceptance of any work-in-process or finished goods. Buyer will monitor the seller’s performance in regards to quality and on-time delivery.

Required Seller Implemented Quality Processes:

- Implement the use of statistical techniques for product acceptance and related instructions for acceptance by the Buyer.
- implement a quality management system



- use customer-designated or approved external providers, including process sources (e.g., special processes)
- notify the Buyer of nonconforming processes, products, or services and obtain approval for their disposition
- prevent the use of suspected unapproved, unapproved, and counterfeit parts
- notify the Buyer of changes to processes, products, or services, including changes of Seller’s external providers or location of manufacture
- flow down to external providers applicable requirements including customer requirements
- provide a certificate of conformity, test reports, or authorized release certificate, as applicable
- retain documented information, including retention periods and disposition requirements
- grant the right of access by the Buyer, their customer, and regulatory authorities to the applicable areas of facilities and to applicable documented information, at any level of the supply chain
- ensure that persons are aware of:
  - their contribution to product or service conformity
  - their contribution to product safety
  - the importance of ethical behavior

25. SERVICES AT BUYER’S OTHER LOCATIONS. If labor or services in connection with this Purchase Order are performed at any locations occupied or under control of Buyer or other party, Seller agrees to indemnify and hold harmless Buyer, its agents, employees, customers, and users of its and their products against any and all suits, actions or proceedings, at law or in equity, and from any and all claims, demands, losses, judgments, damages, costs, expenses, or liabilities, including reasonable attorneys’ fees, arising out of or related to the labor and services to be provided, whether or not related to the conduct of Buyer, its employees or agents.

26. COUNTERFEIT PARTS: Suppliers shall plan, implement and control processes, appropriate to the organization and the product, for the prevention of counter or suspect counterfeit parts use and their inclusion in product(s) delivered to the Purchaser.

27. MISCELLANEOUS. This Purchase Order, together with any attachments, exhibits, manuals, or supplements specifically referenced herein, and any written, existing “Supplier Agreement” or the like between Buyer and Seller, constitutes the entire agreement between Seller and Buyer with respect to the matter contained herein and supersedes all prior oral or written representations and agreements.

- Seller may not assign or delegate its obligations under this Purchase Order without Buyer’s prior written consent.

- This Purchase Order includes all related customs duty and import drawback rights, if any, including rights developed by substitution and rights that may be acquired from Seller’s supplier(s) which Seller can transfer to Buyer. Seller agrees to inform Buyer of the existence of any such rights and upon request to supply such documents as may be required to obtain such drawback.

- The failure of either party at any time to require performance by the other party of any provision of this Purchase Order shall in no way affect the right to require such performance at any time

thereafter, nor shall the waiver of either party of a breach of any provision of this Purchase Order constitute a waiver of any succeeding breach of the same or any other provision.

- Seller and Buyer are independent contracting parties and nothing in this Purchase Order shall make either party the agent or legal representative of the other for any purpose whatsoever, nor does it grant either party any authority to assume or to create any obligation on behalf of or in the name of the other.

- This Purchase Order is to be construed according to the law of the State of Ohio, without regard to its conflicts of law principles. The United Nations Convention on Contracts for the International Sale of Goods will not apply. Seller agrees that the forum and venue for any legal action or proceeding concerning this Purchase Order will lie in the appropriate federal or state courts located in Cincinnati, Ohio and specifically waives any and all objections to such jurisdiction and venue.

- If any term of this Purchase Order is invalid or unenforceable under any statute, regulation, ordinance, executive order, or other rule of law, such term shall be deemed reformed or deleted, but only to the extent necessary to comply with such statute, regulation, ordinance, Purchase Order or rule, and the remaining provisions of this Purchase Order shall remain in full force and effect.

- The rights and remedies reserved to Buyer in this Purchase Order shall be cumulative and additional to all other remedies available to Buyer in law or equity.

- Seller's covenants, representations and warranties hereunder shall survive any delivery, inspection, payment or acceptance and any completion, termination or cancellation of this Purchase Order.

## **28. EQUAL OPPORTUNITY CLAUSE**

**This purchase order [or contract] incorporates by reference the following clauses: 41 CFR §60-1.4(a); 41 CFR §60-300.5(a); 41 CFR §60-741.5(a) and 29 CFR Part 471, Appendix A to Subpart A.**

**Contractor/vendor must abide by non-segregation regulations at 41 CFR §60-1.8 and any applicable affirmative action obligations as required by 41 CFR §60- 1.40(a)(2). 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.**