

Century Fasteners & Machine Co., INC. /CFMC PURCHASE ORDER

CONDITIONS AND INSTRUCTIONS

A HARDCOPY OF THIS DOCUMENT MAY NOT BE THE DOCUMENT IN EFFECT.

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1. ACKNOWLEDGEMENT:

This order shall not become binding until the accompanying acknowledgement has been signed and received by Century Fasteners & Machine Co. (CFMC), provided however, that delivery by seller and acceptance by CFMC of any item specified in this order shall constitute acceptance by the seller of the terms and conditions of this order. Acceptance must be made on the exact terms of this offer. If additional or different terms are proposed, response will be considered a counteroffer; and no contract shall come into existence unless Century Fasteners & Machine Co. expressly accepts, in writing, such counteroffer. This is not a firm offer and Century Fasteners & Machine Co. hereby reserves the right to revoke at any time before acceptance.

2. MODIFICATION OF AGREEMENT; GOVERNING LAW; JURISDICTION:

No modification of this contract shall be binding upon CFMC unless made in writing and signed by its authorized representative. This contract shall be governed by and construed in accordance with the laws of the State of Illinois. The circuit

courts of Cook County Illinois shall have exclusive jurisdiction over any disputes under this contract.

3. DELIVERY:

Delivery must be affected within the time stated on the Purchase Order and CFMC reserves the right to cancel the order if delivery is not made as specified. Seller shall not be liable to CFMC, however, for any failure to make delivery due to unforeseeable causes beyond its control and without its fault or negligence. The

Seller, however, shall notify CFMC promptly of any delays and of any actual or potential labor dispute which is delaying or threatens to delay the timely

performance of the order. Seller shall not, without buyer's prior written consent, manufacture or procure materials in advance of seller's normal flow time or -- delivery in advance of schedule. Buyer may accept or return at seller's expense, items received in advance of the required delivery schedule as specified on the face of this purchase order. Unless specified by buyer in writing, any and all noncontract premium shipments due to late delivery or otherwise shall be borne by seller. Buyer shall have the right to inspect the merchandise at the time and place of delivery before accepting same.

4. WARRANTIES:

The seller expressly warrants that all articles, materials and work will conform with applicable drawings, specifications, samples or other descriptions given,

and will be free from defects. Goods not in accordance with descriptions given or defective goods may be returned at Seller's expense, and Century Fasteners & Mach. shall have the option of returning such goods to seller for credit or replacement at the price charged within a reasonable time and of canceling any unshipped portion of the order. CFMC, at its option and without notice to Seller, may retain any defective goods, make necessary repairs thereto and deduct its cost of such repairs, including factory overhead at its standard rate, from the purchase price. The foregoing shall not be in limitation of any rights which CFMC may have at law or in equity by reason of any breach of warranty express or implied.

5. INDEMNITY:

Seller agrees to indemnify and save harmless Century Fasteners & Machine Co., Inc., its divisions and/or subsidiaries and successors, assigns, customers and agents from and against all claims, suits, damages, costs, losses and expenses in any manner resulting from or arising out of any service performed or product purchased hereunder

6. OVERSHIPMENTS/UNDERSHIPMENTS:

Materials shipped on this order must not be in excess of quantity ordered, except in accordance with trade, custom and usage. CFMC will not be responsible for over shipments by seller and only that quantity specified in the order will be paid for. Return of over shipments to the seller shall be upon request only and transportation charges shall be borne by seller. Unless specified on the

purchase order, the order will not be considered complete until the full quantity(s) specified on the purchase order is received.

7. MATERIALS AND EQUIPMENT FURNISHED BY CFMC:

Any materials furnished by CFMC on other than a charge basis in connection with this order shall be deemed to be held by seller on consignment. The seller agrees to pay CFMC's cost for all such material spoiled or otherwise not satisfactorily accounted for over and above 2% thereof allowable for scrap loss.

Any tools, dies, jigs, or other equipment or facilities hereinafter referred to as (tools) required for the fabrication of materials, units or parts described on the face of this order and which are furnished or paid for by CFMC, are now and shall remain the property of CFMC to be disposed of only on written instructions from CFMC, and shall be returned to CFMC on demand. Seller agrees to maintain said tools in proper repair and working order at its expense and to protect them against loss or damage by insurance policies acceptable to CFMC. Seller further agrees to mark or tag said tools (insofar as practicable) to clearly indicate CFMC's ownership thereof and to keep an accurate inventory thereof and to submit the same to CFMC upon request.

8. EQUIPMENT FURNISHED BY SELLER:

Unless otherwise specified, all necessary equipment required to execute this order is to be supplied by seller.

9. DESIGN RIGHTS:

Where goods are made to drawings furnished by CFMC (unless such drawings are entirely of standard items made and/or furnished by the seller to the trade) the

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9. DESIGN RIGHTS (CONT.) . _

design shall be considered as CFMC's and seller is not to furnish to anyone else the same goods or parts thereof without CFMC's written permission. No changes in design or manufacture shall be made unless authorized in writing by buyer.

10. DESIGN CHANGES

(Unless otherwise specified)

Where Military or Commercial Specifications are called out on the CFMC Purchase Order or supplied drawings the latest revision of specification applies unless the Purchase Order states otherwise. No changes to technical data requirements are allowed unless authorized in writing.

11. CANCELLATION ON ACCOUNT OF INSOLVENCY:

Either party shall have the right to cancel this order in 'the event that the other

party becomes bankrupt or insolvent or makes an assignment for benefit of creditors.

12. PRICE TERMS:

If price is not shown on this order, the seller agrees to sell at no higher price than that at which the item or items were last sold or at the lowest prevailing market price, whichever is lower, unless CFMC has been notified and has agreed to a different price. If at any time during the pendency of this order, lower net prices are quoted anyone for similar items, such lower net prices shall be substituted for the prices contained herein from the time of the lower price quotation. Unless otherwise specified herein, terms of payment shall be thirty (30) days after receipt of goods or invoice whichever is later.

13:-PATENT GUARANTEE~--'! -----

Unless the goods ordered are of CFMC design, seller agrees to indemnify and save harmless CFMC, its divisions and/or subsidiaries, their successors, assigns, customers and agents against all cost damages, claims and demands for actual or alleged direct or contributory infringements of any patents, trademarks or similar rights because of the sale or use of any materials specified herein.

14. COMPLIANCE WITH LAWS:

In the performance of the work hereunder, the seller warrants that the seller shall comply at all times with all applicable state, federal and local laws, rules

and regulations that may be applicable to this order. Seller agrees to comply with the currently effective price control and priorities laws and regulations, if any. This agreement shall be governed by the Uniform Commercial Code as adopted in the State of ILLINOIS.

15. FAIR LABOR STANDARDS ACT:

By acceptance of this order and by furnishing goods hereunder, seller represents and warrants that all goods herein specified will have been produced in compliance with the requirements of the Fair Labor Standards Act, as amended.

All goods furnished hereunder shall be accompanied by invoices containing written assurance that such goods were produced in compliance with the requirements of said Act, as amended.

16. CHANGES IN DRAWINGS, SPECIFICATIONS:

Buyer shall have the right at any time to make changes in the drawings, designs, specifications, quantities, delivery schedules, methods of shipment, packaging or place of inspection acceptance and/or point of delivery of any items in this purchase order, and seller agrees to be bound thereby. No change shall be effective unless authorized in writing by buyer. If such changes result in delay or an increase or decrease in cost to seller, seller shall notify buyer immediately and negotiate an equitable adjustment, provided

however, that seller shall in all events, proceed diligently to perform the work or services and supply the items contracted for under this purchase order as so changed. No claim by seller for such equitable adjustment shall be valid unless submitted to buyer in writing accompanied by an estimate of charges resulting from such change within 30 days from the date of such change.

17. NON-ASSIGNMENT:

The seller shall not assign this order or any interest therein without CFMC's prior written consent.

18. GOVERNMENT CONTRACTS:

If this purchase order bears a Government contract number or the designation "Government" on the face hereof, the following Federal Acquisition Regulations (FAR) and DoD FAR Supplement (DFAR) clauses are hereby incorporated by reference:

FAR	TITLE
52.202-1	Definitions
52.203-3	Gratuities
52.211-5	Material Requirements
52.211-15	Defense Priority and Allocation Requirements
52.242-15	Stop-work Order
52.214-26	Audit-Seal Bidding

- 25.214-28 Subcontractor Cost or Pricing Data-Modifications
Seal Bidding
- 52.215-2 Audit and Records Negotiation
- 52.215-10 Price Reduction for Defective Cost or Pricing Data
- 52.215-11 Price Reduction for Defective Cost or Pricing Data Modifications

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FAR	TITLE
52.215-13	Subcontractor Cost or Pricing Data - Modifications
52.215-14	Integrity of Unit Prices
52.215-8	Order of Precedence - Uniform Contract Format
52.219-8	Utilization of Small Business Concerns ⁴
52.219-10	Incentive Subcontracting Program
52.222-1	Notice to the Government of Labor Disputes
52.222-3	Convict Labor
52.222-4	Contract Work Hours and Safety Standards Act- Overtime Compensation
52.222-20	Walsh Healy Public Contracts Act
52.222-21	Prohibition of Segregated Facilities
52.222-26	Equal Opportunity
52.222-35	Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans

- 52.222-36 Affirmative Action for Workers with Disabilities
- 52.223-3 Hazardous Material Identification and Material Safety Data
- 52.224-2 Privacy Act
- 52.225-8 Duty-Free Entry
- 52.227-1 Authorization and Consent
- 52.227-2 Notice and Assistance Regarding Patent and

Copyright Infringement

- 52.227-3 Patent Indemnity
- 52.227-9 Refund of Royalties
- 52.227-10 Filing of Patent Applications – Classified Subject Matter
- 52.227-11 Patent Rights - Retention by the Contractor
- 52.221-13 Patent Rights...Ownership by the Government
- 52.228-3 Worker's Compensation Insurance (Defense Base Act)
- 52.228-4 Worker's Compensation and War-Hazard Insurance

Overseas

- 52.228-5 Insurance - Work on a Government Installation
- 52.232-17 Interest
- 52.233-1 Disputes
- 52.246-1 Contractor Inspection Requirements
- 52.246-2 Inspection of Supplies - Fixed Prices
- 52.246-23 Limitation of Liability
- 52.246-24 Limitation of Liability High-Value Items
- 52.246-24 ALT. I
- 52.247-63 Preference for U.S. - Flag Air Carriers
- 52.247-64 Preference for Privately Owned U.S. - Flag

Commercial Vessels

- 52.248-1 Value Engineering
- 52.249-2 Termination for Convenience of the Government (Fixed -Price).
- 52.249-8 Default (Fixed -Price Supply and Service)

DoD FAR

- 52.215-7000 Pricing Adjustment
- 52.225-7014 Preference for Domestic Specialty Metals
- 52.225-7015 Restriction on Acquisition of Hand or Measuring Tools
- 52.225-7013 Duty-Free Entry
- 52.227-7013 Rights in Technical Data -Noncommercial Items
- 52.227-7013 ALT. I
- 52.227-7014 Rights in Noncommercial Computer Software and Noncommercial
Computer Software Documentation
- 52.227-7015 Technical Data -Commercial Items
- 52.227-7019 Validation of Asserted Restrictions -- Computer Software
- 52.227-7022 Government Rights (Unlimited) 52.227-7026
- 52.227-7026 Deferred Delivery of Technical Data or Computer
Software
- 52.227-7027 Deferred Ordering of Technical Data or Computer
Software
- 52.227-7030 Technical Data - Withholding of Payment
- 52.231-7000 Supplemental Cost Principles
- 52.243-7001 Pricing of Contract Modifications
- 52.246-7000 Material Inspection and Receiving Report

52.246-7001 Warranty of Data

The provisions of the contract clauses set forth in the above paragraphs of the FAR and DFAR, as applicable and as in effect on the date of this purchase order by reference with the same force and effect as though herein set forth in full. All such clauses shall with respect to the rights, duties and obligations of the buyer and seller there under, be interpreted and construed in such manner as to recognize and give effect to the contractual relationship between the buyer and the seller under this purchase order and the right of the U.S. Government with respect thereto under the prime contract from which such clauses are derived. As used herein and as necessary to make the contract applicable to this purchase order, the term "contractor" shall mean seller; the terms "contract" shall mean this purchase order and "subcontract" means seller's purchase order or subcontract issued under this purchase order. The terms "the government" and "contracting officer" or equivalent phrases shall mean the buyer and his authorized representative, except under those clauses relating to the rights to audit or examine seller's records. In which case the terms "the government" and the "contracting officer" shall mean the U.S. Government and the contracting officer under the prime contract.

19. MERCURY FREE:

Mercury or mercury containing compounds shall not be intentionally added to, or come in direct contact with, any hardware or supplies furnished under this purchase order.

20. PACKAGING

(Unless otherwise specified)

The seller shall package merchandise in accordance with ASTM D3951 Standard Practice for Commercial Packaging. Outside of package shall reference the CFMC Purchase Order Number. No loose fill. Finish on merchandise shall be protected from marks and scratches.

21. QUALITY ASSURANCE REQUIREMENTS

(Unless otherwise specified)

In the performance of this Purchase Order, the Seller shall provide and maintain a quality control system acceptable to CFMC covering supplies under this purchase order and shall tender to CFMC only supplies that have been inspected and found acceptable in accordance with this system. As part of this system, the Seller shall prepare records evidencing all inspections made under the system, and the results.

The Seller shall comply with drawings, specifications and other stated

requirements when applicable. The Seller is responsible for performing or having performed all inspections and tests necessary to substantiate that the supplies or services furnished under this purchase order conform to referenced requirements, including any applicable technical requirements for specified manufacturer's parts.

It shall be the Seller's responsibility to assure that all requirements of the purchase order are imposed on his suppliers and subcontractors. The Seller must conduct sufficient inspection to assure that such requirements have been accomplished and that the products meet, in all respects, the requirements of the purchase order.

22. INSPECTION CODE REQUIREMENT INSTRUCTIONS:

A. DOCUMENTATION:

Code 1. Certified Evidence of Inspection: Certified Continuous Variable data to be supplied with shipment. (i.e. Test Data, Reports, etc.)

Code 2. Certificate of Compliance: Supplier shall furnish with each shipment a Certificate of Compliance signed by an authorized representative stating that the raw materials, processing and parts meet all applicable specifications of the purchase order.

The Certification must contain the following identifying data (exceptions shall be qualified):

- A. Supplier's Name
- B. CFMC Purchase Order Number
- C. Quantity of items inspected
- D. Part Number and/or Drawing Number with revision
- E. Specification Numbers to which product was inspected

F. Lot Number or Date Code or Serial No.'s

G. Shipment Number

H. Statement that vendor has on file, available for examination, evidence of conformance to the applicable specification (i.e. Test Data, Reports, etc.)

I. Signature and Title of vendor's authorized representative

Code 3. Source inspection required: Government inspection is required prior to shipment from your plant. When supplies are ready for inspection or, if practicable, ten (10) days in advance thereof, notify the Government Representative who normally services your plant. On receipt of this order, promptly furnish a copy to the Government Representative who normally services your plant, or if none, to the nearest DCMA Inspection Office in your locality. In the event the Representative or Office cannot be located, our Purchasing Agent should be notified immediately.

Code 4. MIL-PRF-19500 or MIL-M-38510: Combined documentation with Shipment must include the following information:

A. Distributor name and address

B. Customer name/purchase order number

C. Shipment quantities

D. RE-inspection date - if applicable

E. Certification that shipment is traceable to manufacturer's documentation

F. Authorized signature/date

Code 5. Other:

See instructions on Purchase Order

NOTICE

**PAYMENT OF INVOICE WILL BE WITHHELD UNTIL RECEIPT OF
C.O.C. OR OTHER TEST DATA REQUIRED UNDER INSPECTION
CODE. DATA MUST BE FURNISHED WITH EACH SHIPMENT.**

B. CALIBRATION:

The calibration system employed for measuring, test equipment and standards used in the performance of this order must, as a minimum, have a written schedule for periodic inspection and calibration in accordance with ANSI-Z540-1 or ISO-10012-1 to assure compliance with purchase order requirements.

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