

## EXOTIC FASTENERS, INC. TERMS AND CONDITIONS OF SALE

These Terms and Conditions of Sale (“Terms”) apply to and govern all quotations, proposals, acknowledgments, purchase orders, invoices, and any other documents relating to the sale of goods and/or services (collectively, the “Products”) by Exotic Fasteners, Inc. (“Seller”) to the purchasing party (“Buyer”). These Terms are incorporated into and form an integral part of every agreement between Seller and Buyer (the “Agreement”).

By accepting delivery of, ordering, or paying for any Products, Buyer confirms that it has read, understands, and agrees to be legally bound by these Terms without modification. To the extent that any obligations are performed by an affiliate of Seller, such affiliate shall be deemed the contracting party solely with respect to those obligations performed.

### **1. Offer; Acceptance; Exclusive Agreement**

Any quotation, acknowledgment, purchase order, or similar document issued by Seller, together with these Terms, constitutes the entire and exclusive agreement between the parties with respect to the Products. Buyer’s acceptance occurs upon (a) written acknowledgment, (b) issuance of a purchase order, or (c) acceptance of delivery or payment.

Any additional, inconsistent, or conflicting terms proposed by Buyer—including those contained in purchase orders, supplier portals, codes of conduct, or other documents—are expressly rejected and shall have no force or effect unless expressly agreed to in writing by an authorized representative of Seller.

Unless otherwise stated, all pricing, quotations, and proposals issued by Seller are valid for thirty (30) days from the date of issuance and may be withdrawn or modified thereafter without notice.

### **2. Price Adjustments**

Buyer acknowledges that pricing is based on current market conditions and may be subject to change. Seller reserves the right, upon written notice, to adjust prices to reflect increases in costs arising from factors beyond Seller’s reasonable control. Such factors include, but are not limited to:

- Changes in raw material or alloy costs
- Tariffs, duties, or trade restrictions
- Currency exchange fluctuations
- Labor or wage increases
- Freight, logistics, or fuel costs
- Supply chain disruptions
- Economic instability, inflation, or global crises
- Governmental actions or regulatory changes
- Force majeure events

Price adjustments shall become effective upon notice and shall apply to all open and future orders.

Any cost increases imposed by third-party suppliers designated or required by Buyer shall be passed through to Buyer without limitation.

### **3. Service Costs and Additional Charges**

In addition to Product pricing, Seller reserves the right to charge Buyer for supplemental services and costs incurred in connection with fulfilling Buyer's requirements. These may include, without limitation:

Regulatory compliance reporting (e.g., IMDS submissions)

- Quality inspections, testing, or certifications
- Inventory management or stocking programs
- Packaging, labeling, or special handling requirements
- Engineering, consulting, or technical support services
- Third-party fees, surcharges, or pass-through costs

Such charges may be invoiced separately or included in Product pricing, at Seller's discretion.

### **4. Shipping; Risk of Loss; Claims**

Unless otherwise expressly agreed in writing, all shipments are made FOB Seller's facility. Title and risk of loss pass to Buyer upon delivery of the Products to the carrier.

Seller retains discretion to determine shipping method, routing, and carrier unless otherwise specified in writing. Seller shall not be responsible for delays, damage, or loss occurring after transfer to the carrier.

Buyer must notify Seller in writing of any non-delivery, shortage, or damage within five (5) business days after the expected delivery date. Failure to do so constitutes acceptance of delivery. Seller's

liability for any such claim is limited, at Seller's option, to replacement of the affected Products or issuance of a credit.

## **5. Delivery; Performance Obligations**

All delivery dates provided by Seller are estimates only and are not guaranteed. Seller shall not be liable for any delay in delivery or failure to perform caused by circumstances beyond its reasonable control.

Seller may, at its discretion:

- Make partial or consolidated shipments
- Allocate available inventory among customers
- Adjust production schedules

Each shipment shall constitute a separate transaction, and Buyer is obligated to pay for all Products shipped, regardless of fulfillment status of the overall order.

Buyer agrees to:

- (a) Provide timely and accurate specifications, forecasts, and instructions
- (b) Respond promptly to Seller inquiries and approvals
- (c) Provide access to facilities or information reasonably required
- (d) Cooperate in good faith to facilitate Seller's performance

Seller shall not be required to maintain safety stock or excess inventory unless explicitly agreed in writing.

## **6. Payment Terms; Credit; Security Interest**

Unless otherwise agreed, all invoices are due within thirty (30) days from the invoice date and must be paid in U.S. dollars.

Late payments shall accrue interest at the greater of 15% per annum or the maximum rate permitted by law. Buyer shall be responsible for all costs of collection, including attorneys' fees.

Seller reserves the right to:

- Modify or revoke credit terms at any time
- Require advance payment or cash on delivery

- Suspend shipments for nonpayment
- Accelerate all outstanding balances

Buyer shall not offset or deduct any amounts owed without Seller's written consent.

Seller retains a purchase money security interest in all Products sold, including proceeds from resale, until full payment is received. Buyer agrees to execute any documents necessary to perfect such interest.

### **7. Design Responsibility and Technical Assistance**

Seller does not assume responsibility for Product design or specifications provided by Buyer. Buyer bears sole responsibility for ensuring that Products meet intended applications and regulatory requirements.

Any recommendations, advice, or assistance provided by Seller are offered as a courtesy and do not constitute warranties or guarantees. Buyer assumes all risks associated with reliance on such information.

### **8. Warranty**

#### **A. Mutual Warranties**

Each party represents that it is duly organized, validly existing, and authorized to enter into this Agreement.

#### **B. Buyer Warranties**

Buyer warrants compliance with all applicable laws and confirms its financial ability to perform its obligations.

#### **C. Seller Warranty**

1. Third-Party Products – Manufacturer warranties may apply; Seller does not enforce such warranties.

2. Limited Warranty – Products are warranted to be free from defects in materials and workmanship at shipment. Services will be performed in a commercially reasonable manner.

Buyer must inspect Products within thirty (30) days of delivery or upon discovery of latent defects.

Seller's sole obligation is repair or replacement.

#### D. Disclaimer

ALL OTHER WARRANTIES ARE EXPRESSLY DISCLAIMED, INCLUDING MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT.

#### **9. Returns and Restocking**

Returns require prior written authorization and must comply with Seller's instructions. Returns are not accepted for custom or nonstandard Products or after thirty (30) days.

Restocking fees and manufacturer charges may apply. Unauthorized returns may be rejected or disposed of at Buyer's expense.

#### **10. Change Orders and Cancellations**

No order may be modified, delayed, or canceled without Seller's written consent. Buyer shall reimburse Seller for all associated costs, including:

- Completed goods
- Work in progress
- Raw materials
- Supplier commitments
- Administrative and overhead expenses

#### **11. Termination**

Seller may terminate the Agreement upon sixty (60) days' written notice. Either party may terminate for material breach not cured within specified timeframes.

Upon termination, Buyer must immediately pay all outstanding amounts and reimburse Seller for all related costs, including inventory, work in progress, and supplier obligations.

#### **12. Indemnification**

Buyer shall indemnify, defend, and hold harmless Seller and its affiliates from all claims arising from:

- Buyer's specifications or designs
- Product misuse or improper application
- Violations of law
- Intellectual property infringement

- Personal injury, death, or property damage

### **13. Limitation of Liability**

Seller's total liability shall not exceed the amount paid for the affected Products.

Seller shall not be liable for any indirect, incidental, punitive, or consequential damages, including lost profits or business interruption.

All claims must be brought within twelve (12) months

### **14. Information, Disclosures, and Documentation**

Seller shall provide Buyer with such product-related documentation as is reasonably available to Seller from manufacturers or suppliers, including information regarding composition, materials, handling, and regulatory compliance.

Seller shall not be obligated to independently verify the accuracy or completeness of such third-party information and disclaims any liability arising therefrom.

To the extent Buyer requests additional documentation, certifications, or disclosures not routinely provided, Seller may condition such provision upon reimbursement of all associated costs, including administrative, testing, or third-party expenses.

Buyer acknowledges that it is solely responsible for ensuring that Products comply with all applicable laws, regulations, and standards in Buyer's intended use and jurisdiction.

### **15. Hydrogen Embrittlement Disclaimer and Waiver**

Buyer acknowledges that certain Products, due to their material composition, strength characteristics, or manufacturing processes, may be susceptible to hydrogen embrittlement or delayed brittle fracture ("HE Risk").

Buyer understands that HE Risk is an inherent material phenomenon that may not be fully detectable through standard testing methods. Accordingly, Buyer assumes all risks associated with the use of such Products.

To the fullest extent permitted by law, Buyer waives any and all claims against Seller arising out of or

related to hydrogen embrittlement or similar material-related failures, including claims for warranty, negligence, or strict liability.

#### **16. Intellectual Property and Proprietary Rights**

All intellectual property rights associated with the Products, including but not limited to patents, trademarks, copyrights, trade secrets, designs, specifications, drawings, and technical data (collectively, "Proprietary Materials"), shall remain the exclusive property of Seller or its licensors.

No license or right to use such Proprietary Materials is granted to Buyer except as expressly set forth in a separate written agreement.

Buyer shall not reproduce, disclose, or use any Proprietary Materials for any purpose other than as necessary to utilize the Products in accordance with this Agreement.

#### **17. Trademarks and Branding**

Buyer shall not use Seller's name, trademarks, logos, or other branding elements in any manner without Seller's prior written consent. Any permitted use shall comply with Seller's branding guidelines and may be revoked at any time.

Unauthorized use shall constitute a material breach of this Agreement.

#### **18. Service and Replacement Parts**

Unless otherwise agreed in writing, Seller shall have no obligation to supply service parts, replacement components, or continued production beyond the original order.

Any such obligations must be expressly agreed upon in writing, including pricing, quantities, and duration.

#### **19. Confidentiality**

##### **A. Definition and Obligations**

Each party agrees to protect confidential or proprietary information received from the other party ("Confidential Information") using at least the same degree of care it uses to protect its own similar information, but no less than reasonable care.

Confidential Information includes, but is not limited to, pricing, specifications, business plans, and technical data.

#### B. Permitted Use and Disclosure

Confidential Information shall be used solely for purposes of performing under this Agreement and may only be disclosed to employees, agents, or representatives who have a need to know and are bound by confidentiality obligations.

Disclosure may be made if required by law, provided reasonable notice is given to the disclosing party.

#### C. Return or Destruction

Upon termination, Confidential Information shall be returned or destroyed upon request, subject to routine archival backups.

#### D. Remedies

Unauthorized disclosure may result in irreparable harm. The injured party shall be entitled to injunctive relief in addition to any other remedies.

#### E. Survival

Confidentiality obligations shall survive for five (5) years following termination.

### **20. Force Majeure**

Seller shall not be liable for delays or failures to perform due to events beyond its reasonable control, including but not limited to natural disasters, pandemics, labor disputes, supply shortages, governmental actions, or transportation disruptions.

During such events, Seller may suspend performance, cancel orders, or allocate available supply among customers at its discretion. Seller shall have no obligation to procure substitute goods or compensate Buyer for additional costs.

### **21. Order Quantities and Forecasting**

Seller shall use commercially reasonable efforts to meet Buyer's order quantities. However, Buyer acknowledges that production planning is based on historical demand and forecasts.

If Buyer's demand exceeds prior purchasing levels, Seller may charge additional costs, including overtime, expedited production, or sourcing expenses.

## **22. Assignment and Delegation**

Buyer may not assign, transfer, or delegate any rights or obligations under this Agreement without Seller's prior written consent. Any attempted assignment without consent shall be void.

Seller may assign its rights to affiliates without restriction.

## **23. Compliance with Laws**

Buyer shall comply with all applicable laws and regulations, including labor, environmental, and trade laws. Buyer shall not engage in unlawful or unethical practices, including forced labor or corruption.

Buyer shall provide certifications of compliance upon request.

## **24. Dispute Resolution**

### **(a) Governing Law**

This Agreement shall be governed by the laws of the State of Michigan

### **(b) Mediation**

The parties shall first attempt to resolve disputes through good-faith negotiations between senior executives.

### **(c) Arbitration**

Unresolved disputes shall be settled by binding arbitration in Michigan. The decision shall be final and enforceable in any court of competent jurisdiction.

## **25. Non-Solicitation and Non-Circumvention**

Buyer shall not solicit Seller's employees or attempt to bypass Seller to do business directly with its suppliers for specified periods. Violations may result in extension of restriction periods and legal remedies.

## **26. Import and Export Compliance**

Buyer shall comply with all applicable import/export laws and shall not transfer Products in violation of

such laws.

### **27. Government Contracts**

Buyer shall notify Seller if Products are used in government-related contracts and disclose any applicable regulatory requirements.

### **28. Waiver**

Failure by Seller to enforce any provision shall not constitute a waiver of future enforcement rights.

### **29. Survival**

Provisions intended to survive termination shall remain in effect, including payment, confidentiality, indemnification, and liability limitations.

### **30. Notices**

All notices must be in writing and delivered via approved methods. Notices are effective upon receipt. Electronic signatures and transmissions shall have the same legal effect as original documents.

### **31. Entire Agreement**

This Agreement constitutes the complete understanding between the parties and supersedes all prior agreements. Amendments must be in writing and signed by Seller.

### **32. Order of Precedence**

In the event of conflict between these Terms and any other document, these Terms shall control unless expressly agreed otherwise in writing.

(Revised 1/1/2026)