

BASIC QUALITY ASSURANCE PROGRAM REQUIREMENTS

Where CORP DOC 1 / this document is listed, the following applies:

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2. APPLICABLE LAWS

- (a) This Contract and any matter arising out of or related to this Contract shall be governed by the laws of the State of New York, without regard to its conflicts of laws provisions. SELLER, in the performance of this Contract, shall comply with all applicable local, state, and federal laws, orders, rules, regulations, and ordinances. Upon request by Century Fasteners, SELLER shall provide evidence of compliance with applicable local, state, and federal laws, orders, rules, regulations, and ordinances (including the place of production or performance of the Work or any part thereof). SELLER shall procure all licenses/permits, pay all fees, and other required charges and shall comply with all applicable guidelines and directives of any local, state, and/or federal governmental authority. SELLER, at its expense, shall provide reasonable cooperation to CENTURY FASTENERS CORP. in conducting any investigation regarding the nature and scope of any failure by SELLER or its personnel to comply with applicable local, state, and federal laws, orders, rules, regulations, and ordinances that may affect the performance of SELLER's obligations under this Contract.
- (b) SELLER represents that each chemical substance constituting or contained in Work sold or otherwise transferred to CENTURY FASTENERS CORP. hereunder is, as applicable, on the Toxic Substances Control Act (TSCA) Chemical Substances inventory compiled by the United States the Environmental Protection Agency pursuant to TSCA (15 U.S.C. Sec. 2607(b)) as amended and implemented in 40 CFR Part 710; and is designated as "active" pursuant to the TSCA Inventory Notification Rule (codified by amendments to 40 CFR Part 710 effective August 11, 2017).
- (c) shall make available to CENTURY FASTENERS CORP. all Safety Data Sheets for any material provided to CENTURY FASTENERS CORP. or brought or delivered to

CENTURY FASTENERS CORP. or its customer's premises in the performance of this Contract as required by applicable law, such as the Occupational Safety and Health Act of 1970 and regulations promulgated thereunder.

- (d) Work delivered by SELLER under this Contract may be incorporated into deliverable goods for use (i) in the European Economic Area (EEA) and subject to the European Union Regulation (EC) No 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH); the Classification, Labeling and Packaging Regulation (EC) No. 1272/2008 (CLP); and the Biocidal Products Regulation (EU) 528/2012 (BPR); and/or (ii) in countries with laws or regulations containing provisions substantially equivalent to REACH and comparable implementing regulations and laws of multi-lateral conventions (such as the Stockholm (Persistent Organic Pollutants) and Minamata (Mercury) Conventions).
- (1) SELLER represents and warrants that the Work and any substances contained therein are not prohibited or restricted by, and are supplied in compliance with all applicable chemical substance laws and/or regulations including but not limited to REACH, CLP, and BPR, and that no current requirement in any applicable chemical substance law and/or regulation prevents the sale or transport of SELLER's Work or substances in SELLER's Work in the EEA or other applicable countries, and that all such Work and substances have been pre-registered, registered, reported, approved, and/or authorized as and to the extent required by all applicable chemical substance laws and/or regulations including but not limited to REACH, CLP, and BPR.
- (2) SELLER shall timely respond to any request from CENTURY FASTENERS CORP. with all relevant information on the Work so that the intents of all applicable chemical substance laws and/or regulations including but not limited to REACH, CLP, and BPR are met for communicating with downstream users (e.g., as defined in article 3(13) of REACH [any person established in the EEA using substances in the course of that person's industrial or professional activities; the definition does not include the manufacturer, importer, distributor, or consumer]), and in any case, SELLER shall provide all information necessary for CENTURY FASTENERS CORP. and any downstream user to timely and accurately fulfill their obligations under all applicable chemical substance laws and/or regulations including but not limited to REACH, CLP, and BPR.
- (3) SELLER shall bear all costs, charges and expenses related to pre-registration, registration, evaluation, authorization, reporting, and approval under all

applicable chemical substance laws and/or regulations including but not limited to REACH, CLP, and BPR.

- (e) SELLER also represents that it will identify for every component or part of the Work, the chemical(s) present and any Chemical Abstract Services (CAS) Registry Number(s), or similar identifying classification such as generic name and accession number to ensure compliance with TSCA or other applicable chemical substance regulation. This information shall be provided by SELLER for itself and all sub-tier suppliers to CENTURY FASTENERS CORP. upon request.

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5. CHANGES

- (a) The Century Fasteners Purchasing Representative may at any time, by written notice, and without notice to sureties or assignees, make changes within the general scope of this Contract in any one or more of the following: (i) drawings, designs, or specifications; (ii) method of shipping or packing; (iii) place of inspection, acceptance, or point of delivery; and (iv) delivery schedule.
- (b) If any such change causes an increase or decrease in the cost of, or the time required for, performance of any part of this Contract, CENTURY FASTENERS CORP. shall make an equitable adjustment in the Contract price and/or delivery schedule and modify this Contract accordingly. Changes to the delivery schedule will be subject to a price adjustment only.
- (c) SELLER must assert its right to an equitable adjustment under this clause within thirty (30) days from the date of receipt of the written change order from Century Fasteners Corp. If SELLER's proposed equitable adjustment includes the cost of property made obsolete or excess by the change, CENTURY FASTENERS CORP. shall have the right to prescribe the manner of disposition of the property. (d) Failure to agree to any adjustment shall be resolved in accordance with the "Disputes" clause of this Contract. However, nothing contained in this "Changes" clause shall excuse SELLER from proceeding without delay in the performance of this Contract as changed.

6. CONTRACT DIRECTION

- (a) Only the CENTURY FASTENERS CORP Procurement Representative has authority on behalf of CENTURY FASTENERS CORP to make changes to this Contract. All amendments must be identified as such in writing and executed by the parties.
- (b) INTENTIONALLY BLANK
- (c) Except as otherwise provided herein, all notices to be furnished by SELLER shall be in writing and sent to the CENTURY FASTENERS CORP. Procurement Representative.

7. COUNTERFEIT WORK

- (a) The following definitions apply to this clause: "Counterfeit Work" means Work that is or contains unlawful or unauthorized reproductions, substitutions, or alterations that have been knowingly mismarked, misidentified, or otherwise misrepresented to be an authentic, unmodified part from the original manufacturer, or a source with the express written authority of the original manufacturer or current design activity, including an authorized aftermarket manufacturer. Unlawful or unauthorized substitution includes used Work represented as new, or the false identification of grade, serial number, lot number, date code, or performance characteristics. "Suspect Counterfeit Work" means Work for which credible evidence (including, but not limited to, visual inspection or testing) provides reasonable doubt that the Work part is authentic.
- (b) SELLER shall not deliver Counterfeit Work or Suspect Counterfeit Work to CENTURY FASTENERS CORP under this Contract.
- (c) SELLER shall only purchase products to be delivered or incorporated as Work to CENTURY FASTENERS CORP directly from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM), or through an OCM/OEM authorized distributor chain. SELLER may use another source only if (i) the foregoing sources are unavailable, (ii) SELLER's inspection and other counterfeit risk mitigation processes will be employed to ensure the authenticity of the Work, and (iii) SELLER obtains the advance written approval of CENTURY FASTENERS CORP or our customer.
- (d) SELLER shall maintain counterfeit risk mitigation processes in accordance with industry recognized standards and with any other specific requirements identified in this Contract.
- (e) SELLER shall immediately notify CENTURY FASTENERS CORP with the pertinent facts if SELLER becomes aware that it has delivered Counterfeit Work or Suspect Counterfeit Work. When requested by CENTURY FASTENERS CORP, SELLER shall provide OCM/OEM documentation that authenticates traceability of the affected items to the applicable OCM/OEM. SELLER, at its expense, shall provide reasonable cooperation to CENTURY FASTENERS CORP in conducting any investigation regarding the delivery of Counterfeit Work or Suspect Counterfeit Work under this Contract.
- (f) This clause applies in addition to and is not altered, changed, or superseded by any quality provision, specification, statement of work, regulatory flowdown, or other provision included in this Contract addressing the authenticity of Work.
- (g) In the event that Work delivered under this Contract constitutes or includes Counterfeit Work, SELLER shall, at its expense, promptly replace such

Counterfeit Work with genuine Work conforming to the requirements of this Contract. Notwithstanding any other provision in this Contract, SELLER shall be liable for all costs relating to the removal and replacement of Counterfeit Work, including without limitation CENTURY FASTENERS CORP's costs of removing Counterfeit Work, of installing replacement Work and of any testing necessitated by the reinstallation of Work after Counterfeit Work has been exchanged. The remedies contained in this paragraph are in addition to any remedies CENTURY FASTENERS CORP may have at law, equity or under other provisions of this Contract.

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9. DEFINITIONS

The following terms shall have the meanings set forth below:

(a) "Contract" means the instrument of contracting, such as "Purchase Order", "PO", "Subcontract", or other such type designation, including these terms and conditions, all referenced documents, exhibits, and attachments. If these terms and conditions are incorporated into a "master" agreement that provides for releases, (in the form of a Purchase Order or other such document) the term "Contract" shall also mean the release document for the Work to be performed.

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(d) "SELLER" means the party identified on the face of this Contract with whom CENTURY FASTENERS CORP. is contracting.

(e) "Work" means all required labor, articles, materials, supplies, goods, and services constituting the subject matter of this Contract.

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11. ELECTRONIC CONTRACTING

The parties agree that if this Contract is transmitted electronically neither party shall contest the validity of this Contract, or any acknowledgement thereof, on the basis that this Contract or acknowledgement contains an electronic signature.

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13. EXTRAS

Work shall not be supplied in excess of quantities specified in this Contract. SELLER shall be liable for handling charges and return shipment costs for any excess quantities.

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20. INFORMATION OF SELLER

- (a) SELLER shall provide CENTURY FASTENERS CORP. with all information and documentation as may be reasonably required for CENTURY FASTENERS CORP. to receive the benefit of the Contract.
- (b) Where computer software is a deliverable of the Work or is otherwise embedded in the Work, SELLER shall provide the title(s), version(s), type(s) and licenses for the software (including any third-party software components) as soon as practicable but no later than at the time of delivery.
- (c) SELLER shall not provide any proprietary information to CENTURY FASTENERS CORP. without prior execution of a proprietary information agreement by the parties.

21. INSPECTION AND ACCEPTANCE

- (a) SELLER shall provide CENTURY FASTENERS CORP. with all information and documentation as may be reasonably required for CENTURY FASTENERS CORP. to receive the benefit of the Contract.

22. INSURANCE

- (a) SELLER and its subcontractors shall maintain for the performance of this Contract the following insurances:
 - (1) Workers' compensation insurance meeting the statutory requirements where Work will be performed;
 - (2) Employer's liability (EL) in the amount of \$1 million per each accident or per each employee for disease;
 - (3) Commercial general liability (CGL) including Products Liability and Completed Operations liability in the amount of \$1 million per occurrence and \$2 million in the aggregate annually, or in such higher amounts as CENTURY FASTENERS CORP may require;
 - (4) Automobile liability (AL) insurance covering third party bodily injury and property damage with a minimum of \$1 million per occurrence limit, or in such higher amounts as CENTURY FASTENERS CORP may require; and
 - (5) Such other insurance as CENTURY FASTENERS CORP may require.
- (b) SELLER shall provide CENTURY FASTENERS CORP thirty (30) days advance written notice prior to the effective date of any cancellation or change in the term or coverage of any of SELLER's required insurance, provided however such notice shall not relieve SELLER of its obligations to maintain the required insurance. SELLER shall have its' insurers name CENTURY FASTENERS CORP as an additional insured on the CGL and AL policies for the duration of this

Contract. If requested, SELLER shall provide a "Certificate of Insurance" evidencing SELLER's compliance with these requirements. Insurance maintained pursuant to this clause shall be considered primary as respects the interest of CENTURY FASTENERS CORP and is not contributory with any insurance which CENTURY FASTENERS CORP may carry. "Subcontractor" as used in this clause shall include SELLER's subcontractors at any tier. SELLER's obligations herein for procuring and maintaining insurance coverage are freestanding and are not affected by any other language in this Contract.

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24. NEW MATERIALS

The Work to be delivered hereunder shall consist of new materials, not used, or reconditioned, remanufactured, or of such age as to impair its usefulness or safety.

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26. PACKING AND SHIPMENT

- (a) Unless otherwise specified, all Work is to be packed in accordance with good commercial practice.
- (b) A complete packing list shall be enclosed with all shipments. SELLER shall mark containers or packages with necessary lifting, loading, and shipping information, including the CENTURY FASTENERS CORP Contract number, item number, dates of shipment, and the names and addresses of consignor and consignee. Bills of lading shall include this Contract number.
- (c) Unless otherwise specified, delivery shall be FOB Place of Shipment.

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29. PRECEDENCE

Any inconsistencies in this Contract shall be resolved in accordance with the following descending order of precedence: (1) Face of the Purchase Order and/or Task Order, release document, or schedule, (including any continuation sheets), as applicable, including any special terms and conditions; (2) this CorpDoc; and (3) the Statement of Work.

30. QUALITY CONTROL SYSTEM

- (a) SELLER shall provide and maintain a quality control system to an industry recognized quality standard and in compliance with any other specific quality requirements identified in this Contract.
- (b) Records of all quality control inspection work by SELLER shall be kept complete and available to CENTURY FASTENERS CORP and its customers.

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33. SERVERABILITY

34. STOP WORK

- (a) SELLER shall stop Work for up to ninety (90) days in accordance with any written notice received from CENTURY FASTENERS CORP, or for such longer period of time as the parties may agree and shall take all reasonable steps to minimize the incurrence of costs allocable to the Work during the period of Work stoppage.
- (b) Within such period, CENTURY FASTENERS CORP shall either terminate in accordance with the provisions of this Contract or continue the Work by written notice to SELLER. In the event of a continuation, an equitable adjustment in accordance with the principles of the "Changes" clause shall be made to the price, delivery schedule, or other provision(s) affected by the Work stoppage, if applicable, provided that the claim for equitable adjustment is made within thirty (30) days after date of notice to continue.

35. SURVIVABILITY

36. TERMINATION FOR CONVENIENCE

- (a) CENTURY FASTENERS CORP reserves the right to terminate this Contract, or any part hereof, for its convenience. CENTURY FASTENERS CORP shall terminate by delivering to SELLER a Notice of Termination specifying the extent of termination and the effective date. In the event of such termination, SELLER shall immediately stop all work hereunder and shall immediately cause any and all of its suppliers and subcontractors to cease work. Subject to the terms of this Contract, SELLER shall be paid a percentage of the Contract price reflecting the percentage of the Work performed prior to the notice of termination, plus reasonable charges SELLER can demonstrate to the satisfaction of CENTURY FASTENERS CORP using its standard record keeping system have resulted from the termination. SELLER shall not be paid for any Work performed or costs incurred which reasonably could have been avoided.
- (b) In no event shall CENTURY FASTENERS CORP be liable for lost or anticipated profits, or unabsorbed indirect costs or overhead, or for any sum in excess of the total Contract price. SELLER's termination claim shall be submitted within ninety (90) days from the effective date of the termination.
- (c) SELLER shall continue all Work not terminated.

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39. USE OF FREE, LIBRE AND OPEN SOURCE SOFTWARE (LOSS)

- (a) This clause only applies to Work that includes the delivery of software (including software residing on hardware).

- (b) SELLER shall disclose to CENTURY FASTENERS CORP in writing any FLOSS that will be used or delivered in connection with this Contract and shall obtain CENTURY FASTENERS CORP's prior written consent before using or delivering such FLOSS in connection with this Contract. CENTURY FASTENERS CORP may withhold such consent in its sole discretion.
- (c) As used herein, "FLOSS License" means the General Public License (GPL), Lesser/Library GPL, (LGPL), the Affero GPL (APL), the Apache license, the Berkeley Software Distribution (BSD) license, the MIT license, the Artistic License (e.g., PERL), the Mozilla Public License (MPL), or variations thereof, including without limitation licenses referred to as "Free Software License", "Open Source License", "Public License", or "GPL Compatible License."
- (d) As used herein, "FLOSS" means software that incorporates or embeds software in, or uses software in connection with, as part of, bundled with, or alongside any (1) open source, publicly available, or "free" software, library or documentation, or (2) software that is licensed under a FLOSS License, or (3) software provided under a license that (a) subjects the delivered software to any FLOSS License, or (b) requires the delivered software to be licensed for the purpose of making derivative works or be redistributable at no charge, or (c) obligates CENTURY FASTENERS CORP to sell, loan, distribute, disclose or otherwise make available or accessible to any third party (i) the delivered software, or any portion thereof, in object code and/or source code formats, or (ii) any products incorporating the delivered software, or any portion thereof, in object code and/or source code formats.
- (e) SELLER shall defend, indemnify, and hold harmless CENTURY FASTENERS CORP, its customers and suppliers from and against any claims, damages, losses, costs, and expenses, including reasonable attorney's fees, relating to use in connection with this Contract or the delivery of FLOSS. No other provision in this Contract, including but not limited to the Indemnity clause, shall be construed to limit the liabilities or remedies of the parties for the use of FLOSS in connection with this Contract or for the delivery of FLOSS under this Contract.**

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41. WARRANTY

SELLER warrants that all Work furnished pursuant to this Contract shall strictly conform to applicable specifications, drawings, samples, descriptions, and other requirements of this Contract and be free from defects in design, material, and workmanship. This warranty shall begin upon final acceptance and extend for a period of one (1) year. If any nonconforming Work is identified within the warranty

period, SELLER, at CENTURY FASTENERS CORP's option, shall promptly repair, replace, or reperform the Work. Transportation of replacement Work, return of nonconforming Work, and reperformance of Work shall be at SELLER's expense. If repair, or replacement, or reperformance of Work is not timely, CENTURY FASTENERS CORP may elect to return, reperform, repair, replace, or reprocore the non-conforming Work at SELLER's expense. All warranties shall run to CENTURY FASTENERS CORP and its customers.

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