



# FASTENERS DIRECT SALES ORDER TERMS & CONDITIONS

## 1. GENERAL

In consideration of Fasteners Direct, Inc. ("FD") agreeing to sell any of its goods or materials ("Goods") or services to any purchaser thereof ("Buyer"), Buyer and FD ("parties") agree that the following terms and conditions ("Terms and Conditions") shall apply to any such purchase and sale of Goods or services, and are incorporated by reference into any quote, confirmation or invoice issued by FD. Any term or condition in any purchase order or other document issued by Buyer that differs from or is contrary to these Terms and Conditions is ineffective and void unless expressly agreed to in a writing signed by an authorized representative of FD. All orders are subject to acceptance by FD. If these Terms and Conditions shall be deemed to be an offer by FD, any acceptance by Buyer is limited to acceptance of the express terms hereof. All sales are upon the terms herein, whether pursuant to Buyer's written or oral request. No waiver or modification hereof shall be binding upon FD unless in writing and signed by FD.

## 2. QUOTES

A quote provided by FD for non-stock items or other products to be purchased is based on FD's interpretation of the Buyer's written plans and specifications. FD does not guarantee the accuracy of this interpretation. The Buyer is responsible for determining the required materials and services and for assessing and testing the suitability of those materials. A quote issued by FD is non-transferable. Quotes are influenced by market conditions and other factors, and may not be used by other buyers, persons, or entities without FD's written consent. FD may adjust quoted prices due to changes in raw material or transportation costs at the time of order acceptance. A quote from FD does not constitute an offer to sell. All purchase orders require approval from FD's credit department and are not accepted until acknowledged by an authorized FD representative. A quote issued by FD expires at 4:00 PM Eastern Time, five (5) business days after the date of issuance of the quote. To apply the quoted price, purchase orders must be submitted and accepted within five (5) business days of the quote. FD may extend quote validity for strategic opportunities at its discretion and upon written notice to Buyer.

## 3. SUPPLIER QUALITY AGREEMENT

All purchase orders placed with FD will include the following note: "Quality Agreements: By accepting this purchase order, you agree to the requirements of this order and our Terms and Conditions accompanying an order confirmation." Each purchase order specifies the requirements that the vendor must fulfill. Vendors are required to notify FD of any changes to the purchased product and obtain approval from FD before implementing any modifications that may affect the product's ability to meet established purchase requirements. The purchase order serves as the Supplier Quality Agreement. Any change to the purchased product, process, packaging, or specification that may affect conformance to the order requirements will require a written request for a Change Order. FD will not proceed with any change to its obligations under a Change Order request unless documented in a Change Order executed by both parties. Any cost increases arising from such changes, including detection, rework, re-certification, and any associated overhead, shall be detailed in the Change Order.

## 4. SUPPLIER INDUSTRY STANDARDS

All purchase orders submitted to FD are governed by industry quantity standards of +/- 10%. Such orders will be deemed complete upon fulfillment within this range. For orders requiring certification or intended for critical applications, the Buyer must specify 'Exact Quantity Required' in writing at the time the order is placed. Should the Buyer require the exact quantity, the completion date may be subject to extension. FD reserves the right to adjust purchase order quantities accordingly. If the Buyer selects "Exact Quantity Required," FD shall deliver the exact quantity specified, and if FD cannot meet the exact quantity, the Buyer may elect to cancel with credit for non-delivered items or FD may offer a partial shipment with a revised delivery schedule as agreed in writing.

## 5. CANCELLATION

Requests to modify or cancel unshipped orders must be submitted to FD in writing and may be subject to a cancellation fee. For custom-made Goods, any cancellation of unshipped orders will be evaluated based on costs incurred up to the receipt of written notice. The Buyer will then be informed of applicable cancellation charges, which may include expenditures for inventory on hand, work in progress, and other reasonable costs incurred by FD. Cancellation charges shall be the lesser of (i) documented non-recoverable costs incurred by FD and (ii) a percentage of the order value as follows: before any production begins – 5%; after production begins but before shipment – 15% to 25% depending on progress; for custom-made or heavily modified orders – 25% to 50%. No cancellation charges shall apply for FD's failure to perform or for Goods that do not meet specifications in FD's control. Force majeure may also excuse cancellation charges. All charges shall be documented in writing.

## 6. INSPECTION AND ACCEPTANCE

Upon delivery, Buyer is required to inspect the Goods and provide FD with written notice of any non-conformity to specifications within five (5) business days. Notification must include relevant packing slips, inspection reports, and supporting documentation for Buyer's claim. All returns are subject to prior authorization from FD. Acceptance shall not preclude later rejection for latent defects discovered within twelve (12) months of delivery. For latent defects, FD shall, at its option, repair, replace, or credit the affected Goods, with shipping costs for returns borne by FD where non-conformity is FD's fault.

## 7. RETURNED GOODS

All returned Goods require prior written authorization from FD and must include a Returned Goods Authorization Number ("RGA#"), which can be obtained by contacting FD's Customer Service Department. Returned Goods must be unused and packaged securely, replicating the protective standards of the original shipment from FD. Approved returns must be received by FD within fifteen (15) days of the RGA# issuance date. Please note, a restocking fee of up to 20% may be applied to the RGA request. Specialty items are not eligible for return. Defective or incorrect shipments shall be returned or replaced at FD's expense with no restocking fee. Extended return windows may be approved for certain product families at FD's discretion.

## 8. MATERIAL CERTIFICATION

All requests for material certifications or certificates of compliance must be submitted at the time of order. The Buyer is required to specify any need for material certification when placing the order. Please note that the provision of such documentation may result in additional charges to the Buyer. Turnaround times and delivery: Standard certifications shall be provided at no charge and delivered within 5–7 business days from order confirmation. Expedited certifications shall be available for an additional fee with turnaround times to be agreed in writing. Certifications may be provided in electronic format (PDF) or hard copy, as requested.

## 9. FORCE MAJEURE

Neither party is responsible for damages caused by delays or failures to perform due to circumstances beyond their reasonable control, including labor strikes, disruptions related to pandemics, fire, explosion, flood, riots, war, acts of terrorism, rebellion, sabotage, acts of nature, or shortages of raw materials. Relief from performance obligations applies as long as the force majeure affects the party's ability to perform. The affected party shall give prompt written notice of the force majeure event. Each party shall use commercially reasonable efforts to mitigate the effects of a force majeure event. If a force majeure event lasts longer than sixty (60) days, either party may terminate affected orders upon written notice, with pro-rata settlement for work performed and non-cancelable commitments.

## 10. PAYMENT TERMS AND LATE PAYMENTS FEES

Payment must be made in full within the period specified on the invoice, unless otherwise agreed in writing by FD. All payments are to be rendered in U.S. Dollars. Buyers are encouraged to utilize any available early payment discounts. Early payment discounts, if offered, must be stated on the invoice and taken within the discount period from invoice date. No amounts owed to FD may be withheld or offset without FD's prior written approval. Any unpaid balances will accrue interest at a rate of 1.5% per month (18% annually), or the maximum rate allowed by law, whichever is lower, from the due date until payment is received in full. In the event of default, the Buyer will be responsible for all costs associated with collection, including reasonable attorney fees and court expenses. FD reserves the right to suspend or delay future shipments or services should any invoice remain unpaid beyond agreed terms. Persistent delinquency may result in the revocation of credit privileges and require prepayment for future orders. Title of all Goods remains with FD until payment is received in full. Risk of loss transfers upon delivery. All amounts' payable are exclusive of applicable taxes, duties, shipping charges, and insurance, which shall be billed as applicable.

## 11. WARRANTIES

FD warrants that all non-custom Goods sold under these Terms and Conditions will materially conform to FD's published specifications and be free from defects in material and workmanship for a period of twelve (12) months from the date of delivery. FD's sole and exclusive liability, and Buyer's sole and exclusive remedy, for any breach of this warranty shall be, at FD's option: (a) repair of the defective Goods; (b) replacement of the defective Goods; or (c) issuance of a credit for the purchase price of the defective Goods. FD shall prepay reasonable shipping costs for Goods returned under this warranty. This warranty does not cover defects or failures caused by misuse, improper installation, alteration, or normal wear and tear. All other warranties, express or implied, including any warranties of merchantability or fitness for a particular purpose, are hereby disclaimed to the maximum extent permitted by law.

## 12. INDEMNIFICATION

Each party ("Indemnifying Party") shall indemnify, defend, and hold harmless the other party ("Indemnified Party") from and against any third-party claims, damages, liabilities, costs, and expenses (including reasonable attorneys' fees) arising out of: (i) the Indemnifying Party's breach of these Terms and Conditions; (ii) any infringement or alleged infringement of intellectual property rights caused by the Indemnifying Party's Goods, services, or materials; or (iii) the Indemnifying Party's gross negligence or willful misconduct. In addition, Buyer shall indemnify, defend, and hold harmless FD from and against any claims, damages, or liabilities arising from Buyer's misuse, improper installation, modification, or combination of the Goods with other products not supplied by FD.

## 13. INSURANCE

Buyer and FD shall enter into a separate agreement detailing insurance coverage requirements.

## 14. PRODUCT RECALLS

Buyers shall notify FD immediately upon learning of any product issue that may trigger a regulatory or voluntary product recall. FD shall have the right to coordinate or manage any recall effort involving its products.

## 15. CONFIDENTIALITY

Each party agrees to keep confidential and not to disclose to any third party any non-public, confidential, or proprietary information received from the other party in connection with any sales order or these Terms and Conditions ("Confidential Information"), except to the extent required by law or as necessary to perform its obligations hereunder. This confidentiality obligation shall survive termination or expiration of the parties' relationship for a period of not less than five (5) years and, for information which is a trade secret, the foregoing commitments shall remain in place as long as the applicable information retains its status as a trade secret. The obligations of confidentiality and limitations on use of Confidential Information under this Agreement shall not apply to any part of the Confidential Information that:

- is at the time of disclosure, or thereafter becomes, known by or generally available to the public (other than as a result of a disclosure directly or indirectly by the receiving party);
- is at the time of disclosure, already in the possession of or known to the receiving party;
- is independently developed by the receiving party without any direct or indirect use of any Confidential Information provided by the providing party;
- was obtained by the receiving party, either prior to or subsequent to disclosure by the providing party, from a third party not under any obligation of confidentiality to the providing party; or
- is the subject of an order of a judicial or administrative authority that requires disclosure.

## 16. DISPUTE RESOLUTION; GOVERNING LAW

All disputes, claims, or controversies arising out of or relating to these Terms and Conditions, any sales order, or the Goods or services provided hereunder, including the interpretation, performance, or enforcement thereof, shall first be subject to good-faith negotiations between the parties. If such negotiations do not resolve the matter within thirty (30) days, the parties shall be free to file a formal legal claim regarding the matter. Notwithstanding the foregoing, this thirty (30) day negotiation time limitation does not apply where the dispute or claim arises from Buyer's failure to timely pay FD and FD shall be free to file a formal legal claim at any time for Buyer's failure to pay without first resorting to good-faith negotiation. These Terms and Conditions, and any dispute arising hereunder, shall be governed by and construed in accordance with the laws of the State of New York, without regard to its conflict of laws principles. Any dispute arising under or relating to this Agreement shall be resolved exclusively in the state or federal courts located in Monroe County, New York. The parties' consent to such jurisdiction and venue. EACH PARTY SPECIFICALLY WAIVES ANY RIGHT IT MIGHT OTHERWISE HAVE TO A JURY TRIAL WITH RESPECT TO ANY MATTER ARISING UNDER THIS AGREEMENT.

## 17. COUNTERPARTS; ELECTRONIC SIGNATURES

Several copies of this Agreement may be executed by the parties, each of which shall be deemed an original for all purposes, and all of which together shall constitute but one and the same instrument. Facsimile or electronic signature copies, including without limitation transmission by .PDF or other fixed image form or any electronic signature complying with U.S. Federal ESign Act of 2000 (e.g. [www.docusign.com](http://www.docusign.com) or [www.echosign.adobe.com](http://www.echosign.adobe.com)) of signed signature pages will be deemed binding originals.