



## OGS INDUSTRIES PURCHASE ORDER TERMS & AGREEMENTS

Applies to:

OGS Industries, Ohio Gasket and Shim, Progressive Stamping and Fabrication, and Lehner Screw Machine.

### **1. Acceptance of PO:**

A purchase order issued by OGS Industries, Ohio Gasket & Shim Co., Progressive Stamping & Fabrication, or Lehner Screw Machine does not constitute a firm order and may be revised or revoked by OGS Industries at any time prior to acceptance by Seller. If Seller accepts OGS Industries' Purchase Order by issuing a sales order, order confirmation, or other sales documentation or if OGS Industries accepts Supplier's Sales order by issuing a purchase order, then these standard terms and conditions shall override, supersede and prevail over any inconsistent terms and conditions contained in such sales order, regardless of any statement in such sales order to the contrary. The failure of the Supplier to specifically object to the foregoing in writing within five (5) days after receipt of the Standard Terms and Agreements shall conclusively be deemed to evidence Sellers agreement to the foregoing. Any such objection by Seller shall constitute a rejection of OGS Industries offer.

### **2. Changes to Purchase Order:**

No Changes, additions, deletions, or substitutions can be made to the subject matter, terms, conditions, delivery, price, or any other information on the Purchase Order without the consent of the buyer.

### **3. Quantities:**

All shipments shall be for the exact quantity ordered, unless specifically authorized in writing or agreed upon due to acceptable industrial standards. Variations in shipping tolerances will be noted on the purchase order.

### **4. Prices:**

All purchase orders must be filled at the prices specified therein. All additional charges must be specified on the purchase order. These additional charges include, but are not limited to, freight, delivery, surcharges, setup, tooling, engineering, interest, carrying, etc. Payment terms shall be NET 45 from date of invoice, unless otherwise set forth in the Purchase Order or otherwise agreed in writing by Buyer and Seller.

### **5. Packaging:**

Packaging shall be provided by the vendor at no cost to purchaser and shall be adequate for the means of shipment selected by the purchaser

### **6. Compliance with Laws:**

The Buyer and the Seller are required to comply with all statutory and regulatory legal requirements, acts, laws and guidelines; this includes but is not limited to those of the United States Export Control and Customs, Congressional Acts, Federal government, State governments and Local governments. All suppliers must adhere to the International Traffic in Arms Regulations (ITAR) related requirements when ITAR Compliancy is indicated as required on purchase order via flowdown or if the goods are listed on the Munitions List. Seller shall be responsible for compliance with all applicable foreign and domestic laws and regulations regarding the importation or exportation of any products under this Agreement. All product is required to be compliant with S.E.C. Dodd-Frank Act section 1502.

### **7. Late Deliveries/Delays:**

Time is of the essence in this contract. Seller must inform Buyer of any delays on the agreed upon delivery date. Buyer reserves the right to take the following actions if the goods are not to be delivered on time:

- a. Expect supplier to pay airfreight or special delivery charges.



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- b. Terminate all or part of the contract and thereby relieve Buyer of any obligation to accept and pay for goods and or work covered by such terminated portion.
- c. Terminate all or any of the undelivered portion of the order, place a purchase order elsewhere, and charge Seller with any change in the cost or expensed incurred.

### **8. Certifications:**

Certificates of Conformance must include verification of purchase order specifications as stated and also include C of C's from sub-tier supplier to be obtained and furnished by supplier with each item or part on order. Material certifications are required with shipping documents.

A Mil-Test verification of physical/chemical properties must be furnished if requested with each shipment. All Documents must be signed originals or a legible copy of signed originals.

MSDS sheet must accompany shipping documents when requested by Buyer.

Special processes require annual CQI self-assessments. OGS requests that as you supply an applicable Special Process that you also submit your CQI self-assessment documentation.

### **9. Non-Conforming and Counterfeit Product:**

All product provided to Buyer shall consist of new materials and authentic products only. Buyer must be contacted in the event that Seller becomes aware of Non-Conforming or Counterfeit Product. Product will be considered Non-Conforming / Counterfeit if Purchase Order calls manufacturer name and/or origin and required manufacturer is not supplied. Any changes to Purchase Order requests not approved in writing may be considered Non-Conforming / Counterfeit. In order to prevent and mitigate for Counterfeit products, all suppliers must have an applicable Counterfeit protection plan in place consistent with the appropriate industry standards such as AS6174. A Counterfeit part is defined by Buyer as a part that is one or more of the following - an illegal or unauthorized copy or substitute of an original equipment manufacturers item; an item that does not contain the proper materials or components as required by the OEM specifications; an item that is used, refurbished or reclaimed and represented as new; an item that has/does not successfully pass all OEM testing requirements; or an item with labeling, marking or design (with or without intent) that could mislead one into believing an item is something that it is not.

### **10. FOD Program (Foreign Objects and Debris):**

An effective FOD debris-control program can greatly reduce the high cost of FOD damage and the potential for injury to personnel. FOD control is most effective when all affected parties coordinate their efforts. OGS requires each supplier to demonstrate an active and effective FOD prevention program within their facilities and that shipments reaching OGS and its customers reflects that diligence.

### **11. Rejections:**

All material rejected by Buyer's inspection will be returned to Seller at Seller's expense. Payment of Seller's invoices will not constitute final acceptance by Buyer in case of rejection. Seller shall, at Buyer's option, replace material without expense to Buyer or pay to Buyer the replacement cost of same. All charges incidental to such, including labor, reloading, trucking etc. will be paid by Seller.

Buyer may require a written corrective action. Such report will identify the root cause, corrective action plan and identify all sources of non-conformity. This plan must be submitted to the Buyer within 14 days for review and approval



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### **12. Tooling & Fixtures:**

All Tooling, Fixtures and Jigs, etc. purchased from Seller by Buyer, or tooling provided to supplier from buyer is considered the property of the Buyer. Seller will mark all Buyer-owned tooling and fixtures with Buyer's name and date received unless otherwise specified. Seller shall provide an inventory of Buyer's tooling upon request.

### **13. Ownership of Goods:**

Except as otherwise expressly provided in the purchase order, title to and risk of loss and/or damage on all items shipped by Seller to Buyer shall pass to Buyer upon Buyer's inspection and acceptance of such items at Buyer's plant or other receiving facility.

### **14. Record Retention:**

Inspection Tests and Records, Certifications and required documentation shall be retained by supplier for an agreed to period/minimum of 3 years.

### **15. Confidential Information:**

All information provided by Buyer to Seller should be considered proprietary and confidential and shall not be shared without permission of Buyer.

### **16. Flowdown statement on security:**

Sellers participating in contracts covered by DFARS 48CFR 252.204-7012 are required to comply with DFARS 48 CFR 252.204-7012

### **17. Vendor Approval:**

Sellers may be required to complete the OGS Industries' Process for Quality Vendor Approval.

### **18. Warranty:**

Seller expressly warrants that all materials and services furnished under purchase orders issued by Buyer will be free from defects in material and workmanship and will conform to applicable specifications, drawings, samples, or other descriptions given and that articles made of Seller's design will also be free from defects in design. All warranties shall survive acceptance and payment of goods and services. All warranties shall run to Buyer, its successors, assigns and customers and to the users of its products.

### **19. Infrastructure:**

Suppliers must provide and maintain infrastructure needed to achieve conformity to product requirements including workspace and associated utilities, process equipment and supporting services.

### **20. Insurance:**

Whenever seller's agents or employees are on Buyer's premise, Seller will provide the following insurance coverage to protect both Buyer and Seller and will deliver to Buyer a certificate thereof: (a) Minimum bodily injury liability of \$300,000 per person, \$1,000,000 per occurrence, (b) Minimum property damage of \$100,000 per occurrence, \$300,000 aggregate operation and (c) all claims under Workman's Compensation, disability benefits or similar employee benefits. The foregoing shall not limit Seller's liability to Buyer.

### **21. Indemnity:**

Seller shall indemnify and hold harmless Buyer, its officers, employees, agents, successors, assigns and any of the Buyer's customers buying or using the specific goods and services, from and against any and all losses, liabilities,



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damages, penalties, costs and expenses arising out of any misrepresentation by Seller or relating to any breach or default in the performance of Seller's obligation with respect to the delivery of goods and/or services delivered to Buyer. Seller agrees to obtain and maintain at its expense a policy or policies of product and contractual liability insurance.

### **22. Buyer's Property:**

All drawings, tools, jigs, dies, fixtures, materials, and other property supplied or paid for by Buyer shall be and remain the property of Buyer; and if Seller fails to return such property upon Buyer's demand, Buyer shall have the right, upon reasonable notice, to enter Seller's premises and remove any such property at any time without being liable for trespasses or damages of any sort.

### **23. Quality:**

Seller shall, where required, obtain Buyer approval, and at minimum ; notify the Buyer of changes in product and/or process, suppliers, changes of manufacturing facility location. The seller shall; flow down to the supply chain the applicable requirements including customer requirements; provide right of access by the Buyer, their customer and regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records; respond to requested corrective actions in a timely manner when requested by the Buyer. Seller shall take note of and understand all quality codes provided on PO. Seller shall follow point 9 on non-conforming product

### **24. Safety:**

The organization shall plan, implement, and control the processes needed to assure product safety during the entire product life cycle.

### **25. Ethics:**

Seller will comply with and flowdown the following code of conduct – All suppliers are prohibited to engage in any activity that creates a conflict of interest; must comply with all laws, regulations, statutes, rules, and acts; must report any illegal or unethical conduct to management or other appropriate authorities; and must understand the implications of ethical behavior. For more information regarding ethical conduct, contact sales@ogsindustries.com.

### **26. Supplier development and expectations:**

OGS Industries prefers that a supplier maintain a 3<sup>rd</sup> party registered quality system (ISO 9001, AS 9100, IATF 16949, NADCAP etc) and favors suppliers who comply with this expectation. At minimum suppliers are expected to show competence to ISO 9001. Suppliers are encouraged to strive for higher 3<sup>rd</sup> party certifications (AS 9100, IATF 16949)

### **27. Source Inspection:**

With reasonable notification, representatives of OGS Industries or a named delegate always reserve the right to conduct source inspections of products prior to shipments from the supplier's facility. When it is known at the time that the Purchase Order is issued, this requirement will be specified on the PO. Otherwise, the notification shall be provided in writing with a minimum of 3 days advance notice given.

### **28. Premium Freight:**

Suppliers must notify their buyer if they make an expedited shipment. The cost of Premium Freight needs to be captured, regardless of who is covering that cost.



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### **29. Credentials and Certifications:**

Suppliers must carry all credentials and certifications necessary for testing and certifying to the request on the PO. If you've received a PO that you aren't certified to process, please stop all work related to this order and contact the OGS Purchasing Department.