



Terms and Conditions of Purchase Orders

Dear Supplier,

Please review the following enclosed documents or download this information from our website at www.altousa.com/terms.

Please note we also require the following documentation:

Current Certificate of Insurance for Product Liability.
Coverage and limits are contained in the Terms and Conditions of Sale.

Safety Data Sheets, if applicable.

Quality Certificates for ISO9001, IATF16949, and ISO14001, if applicable.

Any questions, please contact our purchasing department at purchasing@altousa.com or call 251-368-7777.

We appreciate your assistance.

Terms and Conditions of Purchase Orders (PO)

INSURANCE: The seller shall furnish Alto with Certificates of Insurance evidencing compliance with all provisions noted below.

Commercial General Liability: The policy shall provide a One Million Dollar (\$1,000,000) combined single limit for Bodily Injury and Property Damage including Products Liability, Contractual Liability and all standard policy form extensions. The policy must provide a Two Million Dollar (\$2,000,000 – Products Aggregate) and be written on an “occurrence form.” The policy shall name Alto Products Corp. as an **Additional Insured** under the policy. Additional Insured shall include all Officers, Employees and Agents representing Alto Products Corp. The coverage for an Additional Insured shall apply on a Primary basis irrespective of any other insurance.

Umbrella Liability: An Umbrella policy shall provide a limit of not less than Five Million Dollars (\$5,000,000) providing excess coverage over all limits and coverages required under the General Liability (including Products Liability) coverage described above. The limits can be obtained by a combination of Primary and Excess Umbrella policies, provided that all layers follow form with the underlying General Liability policy. The policies shall be endorsed to include Alto Products Corp. as an **Additional Insured** as defined above.

PRICES: All POs must be filled at prices no higher than those indicated the PO. In the absence of such indication of price by Alto, Seller must fill this PO at a price no higher than last quoted or charged to Alto.

QUANTITIES: Unless otherwise agreed to in writing, the obligation of Alto is limited to the quantities set forth in the PO. Seller warrants that all markings of the weight or measurement shall be true and correct.

DELIVERY: Seller must deliver in accordance with the specifications on the PO. Seller agrees to deliver 100% on time delivery to our dock per the indicated by the due date on the PO.

TAXES: The Seller will accept valid sales and use tax exemption certificates or direct payment permits in lieu of charging such state and/or local taxes.

PACKING: No charge will be added for any packaging unless otherwise stipulated herein. A packing list bearing Alto's name, PO number and Alto number(s) must be placed in the packing container.

ROUTING: Routing is stated on of the PO. Questions should be directed to Alto shipping at 251-368-7777.

TITLE AND RISK OF LOSS: Unless specifically agreed otherwise in writing, title to and risk of loss of all goods furnished hereunder shall remain with Seller until receipt and acceptance of the goods at Alto's location.

RETURNS: Alto shall have the right to return, at the Seller's expense, any part or all of nonconforming products or any quantities different from the PO or items not received by the due date.

TOOLING AND TANGIBLE ITEMS: All tooling, written materials or any tangible items furnished or paid for by Alto either separately or as part of the unit price shall be, and remain the property of Alto. These items shall, upon request of Alto, delivered to Alto in good condition. Seller shall be responsible for tool maintenance and shall not use Alto's tool to make product for anyone else.

CHANGES: Alto may at any time make changes to drawings, specifications or approved samples of any product covered by the PO. If such a change results in an increase or decrease to the Seller's cost, upon mutual agreement, an adjusted PO will be issued.

NON-DISCLOSURE: If Alto discloses or grants access to Seller to any research, development, technical, economic or any business information of a confidential or proprietary nature, whether reduced to writing or not, Seller agrees not to disclose such information to any person at any time without Alto's prior written consent.

WARRANTIES: Seller expressly warrants that: (a) all goods will conform to drawings, specifications or samples furnished by Alto or Seller's samples approved and accepted by Alto, it being understood that these goods are incorporated by reference and made a part hereof; (b) all goods will be of merchantable quality, fit and sufficient for the purpose the PO and will be free from defects, latent or patent, in material and workmanship; (c) all services will be performed in a workmanlike, efficient and safe manner and will conform to standards

generally accepted in the trade or industry involved; and (d) it has clear title to the goods, and the goods are and will be free from any security interest, lien or encumbrance. In addition, Seller represents and warrants that Seller has special skills that Alto is relying on such skills to furnish suitable product. Seller shall be liable for all direct, incidental and consequential damages resulting from nonconforming products of services.

WORK ON ALTO'S PREMISES: If work in connection with the goods or services purchased hereunder is to be performed on Alto's premises by Seller, the following terms and conditions shall apply: Seller agrees that: (a) it will indemnify and hold harmless Alto from any and all claims, liabilities, obligations and causes of action arising from such performance or sale; and (b) shall defend any suit brought against Alto and shall pay all damages, costs and expenses in connection with such action for injury to or death of any person or for damage to or destruction of any property howsoever caused including damage resulting from the performance or lack or performance of Seller in connection with the goods or services purchased hereunder. (c) Seller agrees to furnish evidence of adequate insurance coverage of commercial liability, automobile liability, property damage liability and workers compensation acceptable to Alto. Seller shall name Alto as an additional insured and shall waive subrogation. (d) Seller agrees that all persons it compensates shall be deemed to be its employees for all purposes, including any associated taxes. (e) Seller agrees to comply with all rules and regulations established by Alto.

RIGHT TO INSPECTION: The seller authorizes Alto, and/or the sellers' customers, the right to inspect, at the seller's premises, the manufacturing processes and facilities used to fulfill the Alto's PO.

PATENTS; TRADEMARKS; COPYRIGHTS: Seller warrants that: (a) the goods and/or services purchased hereunder as well as the production, sale and use thereof, do not and will not infringe any third party patents, trademarks, trade secrets or copyrights; (b) Seller will at its own expense defend any suit that may arise in respect thereto; and (c) Seller will defend, indemnify and hold harmless Alto, its parents, subsidiaries, affiliates, successors and assigns and their respective customers from all loss, damage, cost and expense, including attorneys' fees, which may result from the assertion of any infringement by any person.

QUALITY: Seller has reviewed the Alto Quality Manual (AQM) and acknowledges compliance to the AQM.

EEO COMPLIANCE: The seller acknowledges and agrees to the extent required by law, the equal employment opportunity clauses contained in 41 C.F.R. §60-1.4(a), 60-250.4, 60-741.4, 6D-300.J(a), 41 CFR 60-741.5(a), 41 CFR 60-300.5(a), And Executive PO 11246, as amended; the Rehabilitation Act of 1973; and the Vietnam Era Veterans Readjustment Act of 1974 are incorporated in all covered contracts, subcontracts and POs.

ETHICS: The seller has read, understands and confirms compliance the Alto Vendor Code of Ethics at the end of this document.

INDEMNIFICATION: Seller shall indemnify, hold harmless and defend Alto, its officers, agents, employees, parents, subsidiaries, successors and assigns against any loss, cost, damage or expense including attorney's fees arising out of any claim or charge for personal injury, death or property damage asserted against Alto attributable to the manufacture, sale or delivery of the goods or performance of the services. This indemnity shall apply without regard to whether the claim, damage, liability or expense is based on breach of contract, breach of warranty, negligence, strict liability or other tort. This indemnity shall survive delivery and acceptance of the goods or services.

REMEDIES: If any of the goods or services are found within a reasonable time after delivery to Alto to be defective in material or workmanship or otherwise not in conformity with the requirements of this PO, Alto, in addition to any other rights which it may have hereunder, at law or in equity, may, at its option (a) reject and return such goods at Seller's expense, in which event Seller shall either issue a full refund to Alto for all monies paid to Seller or replace such goods, depending upon the written instructions issued by Alto; or (b) upon notice to Seller, take such actions as may be required to cure all defects and/or bring the goods into conformity with all the requirements of this PO, or procure replacement goods from an alternate supplier, and in any of the foregoing circumstances. Any and all damages, costs and expenses incurred by Alto in the exercise of its rights under this clause shall be promptly reimbursed by Seller. All rights and remedies of Alto, whether provided by this PO or by law shall be cumulative and may be exercised singly or concurrently.

INSOLVENCY: In the event Seller files a petition in bankruptcy, or a petition in bankruptcy is filed against Seller, or Seller shall make an assignment for the benefit of its creditors, or Seller shall become insolvent in any way Alto shall have the right to forthwith cancel this PO or so much thereof as has not been completed.

NON-ASSIGNMENT: Assignment by Seller of any PO or any interest herein or any payment due or to become due hereunder, without the prior written consent of Alto, shall be void.

HAZARDOUS MATERIALS: Materials deemed hazardous will be packaged, marked, and shipped by the Seller in compliance with all federal, state and local regulations then in effect and will further comply with any special requirements as might be noted on the face of this PO.

U.S.E.P.A. TOXIC SUBSTANCE CONTROL ACT: Seller warrants that every chemical substance constituting or contained in the product sold or transferred to the Alto is not on the list of prohibited chemical substances compiled and published by the Administrator of the U.S.E.P.A. pursuant to the Toxic Substances Control Act and is otherwise in compliance with said Act.

CONFLICT OF CONDITIONS: It is agreed that: (a) any different terms or conditions in Seller's quotation or acknowledgement of this PO are not binding on Alto unless accepted in writing by Alto; and (b) shipment of any goods or rendering of any services pursuant to this PO shall be deemed to constitute acceptance of the terms and conditions hereof. No modification or release shall be binding unless mutually agreed to in writing.

MERGER AND ACQUISITION: In the event of any mergers, acquisitions, or affiliations the supplier will notify Alto immediately.

FORCE MAJEURE: Neither party shall be liable for any failure to perform or delay in performance of this Agreement from acts of God, war, civil insurrection riots, government act or regulation, strikes, lockouts, labor disruption, cyber-attacks, inability to obtain materials or transport, or any cause beyond such party's commercially reasonable control subject, however, to Alto's right of cancellation.

CANCELLATIONS: Alto may cancel this PO without penalty or payment of cancellation charges if Seller fails to make delivery as specified, or within a reasonable time if no time is specified, or fails to comply with any provision of the PO. Alto may also cancel any unfilled portion of the PO at any time without cause upon written notice. On notice, Seller shall immediately discontinue the work already in progress. Seller shall be entitled to compensation for reasonable costs properly allocable to the cancellation but not for any profits for the portion of the PO not performed.

ENTIRE AGREEMENT: These Terms and Conditions, together with the other documents expressly referred to herein constitute the entire agreement under which Seller is supplying the Goods for sale to Alto. No other terms, condition or understanding, whether oral or written, shall be binding upon Alto, unless concurrently herewith or hereafter made in writing and signed by Alto's authorized representative.

NO WAIVER: No Waiver by the Alto of a breach of any of the terms and conditions hereof or of any contract resulting from this purchase shall not be construed as a waiver of any other breach.

GOVERNING LAW: Any disputes under this contract shall be governed by the laws of the State of Alabama County of Escambia, which shall have sole and exclusive jurisdiction thereof.

**All Purchase Orders are contingent upon the acceptance of these
Terms and Conditions of Purchase Orders**

Vendor Code Of Ethics



Alto is committed to maintaining the highest legal, social, and ethical standards in its relationships with employees, shareholders, customers, vendors, competitors, governments, communities and the environment. At Alto our values are personal responsibility, honesty, sustainability, and entrepreneurship. These values are embedded in what we do and the foundation of our business. Our values guide us when choosing our partners. We expect our vendors to share our values; to recognize and uphold legal, social, and ethical standards of production and to care for the environment. Alto will work collaboratively with our vendors to achieve a resilient and truly sustainable supply chain.

Environment: The Vendor must protect environmental health by adhering to all applicable regulatory requirements, including but not limited to air, water, ground, and waste management. The Vendor must continuously work towards mitigating negative environmental impacts in daily operations.

Health and Safety: The Vendor must provide a safe and healthy workplace which meets the applicable laws and regulations. The Vendor must take adequate steps to prevent accidents and injuries.

Human Rights and Non-Discrimination: The Vendor must respect the rights and dignity of all persons they deal with. This includes prohibition and elimination of child and forced labor, slave labor, freedom of employment and association, compensation and benefits in accordance with applicable laws and promotion of equal opportunity and treatments in employment. Vendors must ensure employees are not subject to any discrimination or harassment in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of sex, gender identity, race, religion, age, disability, illness, marital status, pregnancy, sexual orientation, nationality, political opinion, social or ethnic origin, or other protected status.

Materials Compliance: At Alto, we are determined to comply with regulatory and customer requirements regarding the prohibition and restriction of substances, including hazardous substances and conflict minerals. Therefore, vendors must ensure that the goods provided to Alto are in compliance with requirements covered under the scope of all relevant regulations including but not limited to conflict-free mineral supply, ROHS and REACH compliance.

Protection of Assets and Confidentiality: Vendors must keep Alto's business, financial and technical data as well as business correspondence including but not limited to pricings, costs, customers, and designs confidential and not misappropriate Alto's tangible or intellectual property.

Gifts and Entertainment: Whenever a gift or entertainment is offered in the context of a business relationship, there is a risk that it may influence, or appear to influence, a business decision. In order to build and maintain the trust of our stakeholders, Alto discourages gifts or entertainment exceeding nominal value, such as an item bearing the logo of the vendor, to or from any of Alto's vendors.

Trade Control: Vendors must adhere to applicable export control regulations. Vendors must indicate correct and itemized foreign trade data in all trade documents including but not limited to origin country and customs tariff number.

Application to Vendors and their Suppliers and Subcontractors: This Code is intended to apply also to the vendors' subcontractors and suppliers providing goods or services. Therefore, vendor must use reasonable efforts to ensure their subcontractors' compliance with this Code.