



STANDARD TERMS AND CONDITIONS

STANDARD TERMS AND CONDITIONS

The following are the contractual requirements agreed upon between Fox Tool & Manufacturing, Inc. (FT&M), and the Supplier upon acceptance and/or performance of the Fox Tool & Manufacturing, Inc. Purchase Order (PO). Additional requirements for suppliers of materials, processing, and equipment calibration can be found in FT&M document 10456, Supplier Flowdown Requirements.

1. On-Time Delivery

The due date on the PO is the required on-dock date for the product with required documentation (packing list, certifications, test reports, FAIs, etc.). Supplier on-time delivery performance will be measured based on the date the product is delivered on-dock at FT&M.

2. Force Majeure

FT&M and the supplier should advise the other party within 30 days of any event that is deemed a Force Majeure Event. Neither party should be responsible or liable nor be deemed to be in default on account of any breach of any obligation directly attributable to a cause that is at the same time compelling, unpredictable, unavoidable and beyond its control and not occasioned by its fault or negligence.

Following cessation of the Force Majeure Event and to the extent possible in anticipation thereof, the parties should resume the performance of their obligations under this purchase order.

In the event the supplier fails to deliver or has informed FT&M that it should not be able to deliver the product on-time due to a Force Majeure Event then the delivery of the product should be suspended until such circumstances of the Force Majeure Event have been adequately addressed. The due date of product should be extended by mutual agreement of the parties. If the Force Majeure Event causes delivery to be delayed more than thirty (30) days, FT&M will be entitled to cancel the purchase order in whole or in part without a further notice being required or judicial intervention and without incurring any liability whatsoever.

3. Indemnification

The supplier, its agents, contractors and employees waive any and all claims against FT&M for personal injuries or property damage arising out of or related to providing the products or services under this purchase order.



STANDARD TERMS AND CONDITIONS

4. Insurance

The supplier agrees to obtain and maintain policies of insurance including but not limited to policies providing public liability, product liability, auto liability, employer liability and workmen's compensation coverage.

5. Equal Opportunity Clause

Supplier shall not maintain segregated facilities or discriminate against any employees because of age, race, color, religion, sex or national origin or any other grounds prohibited by law.

6. Termination

FT&M may terminate work under this order in whole or in part at any time by written or telegraphic notice. Such notice shall state the extent and effective date of such termination and, upon first receipt thereof, the supplier will, to the extent directed by FT&M, stop working under this order and the placement of further orders or sub-contracts hereunder, terminate work under orders and sub-contract outstanding hereunder, and take any necessary action to protect property in the supplier possession in which the FT&M has or may acquire an interest. Termination shall be without prejudice to any claims which one party may have against the other.

With the consent of FT&M, the supplier may retain at an agreed price or sell at an approved price any completed articles or any articles, materials, work in process or other things the cost of which is allocable or appropriate to this order if requested. The supplier will use its best efforts to assist in the deposition of the above-mentioned property. As directed by FT&M, the supplier will transfer title to, and make delivery of, and such articles, materials, work in process or other things not retained or sold. Appropriate adjustments will be made for delivery posts or savings therein.

The provisions this section shall not limit or affect the right of FT&M to terminate this order for the default of the supplier.

Cancellation

All or any part of this purchase order may be cancelled by FT&M if shipment or delivery is not made by the date specified on the face hereof. Further, all or any portion may be cancelled or suspended without liability if such cancellation or suspension is caused by compliance with any law, order or request of any government entity.



STANDARD TERMS AND CONDITIONS

7. Hazardous Materials

Hazardous Material, as used in this clause, includes;

- Any material defined as hazardous under the latest version of Federal Standard No. 313 (including revisions adopted during the term of contract),
- Any material that could be hazardous or injurious to the health or physical safety of a human being, even if such hazard or injury can occur only from mishandling or misuse of the material.

The supplier shall notify FT&M of every hazardous material, as defined in this clause, to be delivered under this order. The hazardous material shall be properly identified and include any applicable identification number, such as National Stock Number or Special Item Number. This information shall also be included on the Safety Data Sheet submitted under this contract. The seller shall supply FT&M warning labels and instructional materials appropriate to warn persons coming in contact with the material of hazard and its effects.

Supplier shall comply with all applicable regulations relating to the transportation of hazardous material.

8. Recall

In the event that a recall of the goods or other corrective action with respect to goods or services is necessitated by a defect, a failure to conform to the specifications, applicable laws, or any other reason within the supplier's control and not due to a negligent act or omission by FT&M, the supplier shall bear all costs and expenses of such recall or corrective action including, without limitation, costs of notifying customers, customers refunds, costs of returning goods, loss of profits, and other third party expenses.

9. FT&M Property

All property used by the supplier in connection with this order which is owned by, furnished to, charged to, or paid for by FT&M, including, but not limited to, materials, tools, dies, jigs, molds, patterns, fixtures, equipment, drawings and technical information, specifications, and any replacement thereof shall be and remain the property of FT&M and subject to removal and inspection by FT&M at any time without cost or expense to FT&M. FT&M shall have free access to supplier's premises for the purpose of inspecting or removing such property. All such property shall be identified and marked as FT&M property, used only for this order, and adequately insured by the supplier at its own expense for FT&M protection. The supplier shall assume all liability for and shall maintain and repair such property and return the same to FT&M in its original condition, reasonable wear and tear expected. When such property is



STANDARD TERMS AND CONDITIONS

no longer required hereunder, the supplier shall furnish FT&M with a list thereof and shall comply with any disposition instructions from FT&M. FT&M shall not be required to pay any invoices for tooling, if applicable, until the first article produced therefore shall have been received and accepted.

Materials, excluding U.S. Government property, furnished by FT&M in connection with this order on other than a charge basis shall be deemed to be held by Supplier as bailee thereof. Supplier agrees to pay FT&M replacement cost for all such material spoiled or not satisfactorily accounted for over and above two percent (2%) thereof allowable for scrap loss.

10. Risk of Loss

Risk of loss or damage to goods shall be on the supplier until goods have been delivered to and accepted by FT&M.

11. Notice of Labor Disputes

Whenever an actual or potential labor dispute delays or threatens to delay the timely performance of a FT&M purchase order, the supplier shall immediately give notice thereof, including all relevant information with respect to FT&M.

12. Limitation of Liability

In no event shall FT&M be liable to the supplier for any special, incidental or consequential damages arise out of this purchase order.

13. Over/Under Shipments

Over/under shipments of goods not approved by FT&M in writing may be returned by FT&M, at their sole discretion. All such returns shall be at supplier's risk and expense or held by FT&M at supplier's risk and expense. Suppliers will ship exact quantities per the FT&M purchase order unless otherwise specified and approved by FT&M.

14. Competitive Price

The supplier warrants that the prices set forth herein are as low as any net price now given by the supplier to any other customers for like goods and quantity and / or services and agrees that if, during the term of this Order, lower net prices are quoted by Supplier to any other third party for similar goods and / or services such lower net price shall be from that time substituted for the prices set forth in this Order. If, during the term of this Order, FT&M is able to purchase goods or services of the quality and in a quantity not more than herein specified and upon like terms and conditions at a price lower than the price stated herein, the supplier, upon receipt of written evidence of same shall, at its option, either meet such lower price or permit FT&M to purchase the undelivered portion hereunder from such other vendor



STANDARD TERMS AND CONDITIONS

at such lower price. The quantity so purchased by FT&M from such other vendor shall be deducted from the quantity covered by this Order.

15. Release of News Information and Advertising

The supplier shall not without the prior written consent of FT&M make any news release, public announcements, denial or confirmation of all or any part of subject matter of this purchase order, or any phase of any program hereunder nor will they in any manner advertise or publish the fact that FT&M has placed a purchase order.

16. Confidentiality

All information supplied by FT&M (drawings, data, design, inventions, computer software and other technical information) shall remain FT&M's property and shall be held in confidence by the supplier. Such information shall not be reproduced, used or disclosed to others by the supplier without FT&M prior written consent, and shall be returned to FT&M upon completion by the supplier of its obligations under this order or upon demand.

17. Foreign Object Debris/ Damage

The supplier is required to establish and maintain a Foreign Object Debris/Damage (FOD) prevention program that employs appropriate housekeeping practices to assure timely detection and removal of residue/debris generated, during operations and normal daily tasks.

18. Packaging and Handling

As a minimum, the supplier shall package all materials in a manner that will ensure protection against corrosion, oxidation, deterioration and physical damage during shipment. In addition, when materials delivered are lot-controlled and multiple material lots are shipped, each lot shall be separately packaged and identified.