

FCC STANDARD TERMS AND CONDITIONS

Article 1. Application. The terms and conditions set forth herein will govern (the "Terms") and supplement any long term agreements between FCC and Supplier (each a "**Long Term Agreement**") concerning FCC's purchase of goods ("Components") or services ("Services") from Supplier and will apply to all individual purchase orders issued by FCC to Supplier for Components or Services (each, a "**Purchase Order**"). The Terms, Long Term Agreement(s) and Purchase Order(s) are collectively referred to as the "**Agreement(s)**". If there is conflict between these Terms, the Long Term Agreement, or any applicable Purchase Order, the following order of precedence applies: (i) the Purchase Order; (ii) the Long Term Agreement; and (iii) these Terms. These Terms will be deemed accepted by Supplier upon either its written acceptance or upon commencement of any required work or service under the Agreement. Further, if Supplier does not refuse a Purchase Order in writing within three (3) days following Supplier's receipt of the Purchase Order, Supplier will be deemed to have accepted such Purchase Order. Supplier's acceptance will be limited to the express written terms of the Agreement. Any terms not defined in these Terms will have the meaning set forth in the applicable Long Term Agreement. Additional or different terms contained in any documentation provided by Supplier beyond those terms contained in these Terms or the Agreements are expressly rejected and will not be binding on FCC, nor will they become part of the Agreements absent an amendment agreed to and executed in writing by the parties.

Article 2. Content, Formation and Amendment of Purchase Orders. Unless otherwise stated on the Purchase Order, each Purchase Order is a requirements contract whereby FCC agrees to purchase, and Supplier agrees to supply, 100% of FCC's requirements of the Components or Services for the duration stated in Article 8(D). Each Purchase Order will specify, with respect to each Component and/or Services ordered, an order date, a description of the Component or Services, delivery date, delivery location, completion date, price, and other transaction terms; provided, however, that matters common to the Purchase Orders may be specified in advance upon consultation by FCC and Supplier. If requested by Supplier, FCC will provide a non-binding forecast of Components or Services expected to be ordered for the following ninety (90) days. If Supplier reasonably expects that it cannot meet the forecasted demand for Components or Services needed by FCC, Supplier will promptly inform FCC of that fact, and provide a timeline within which Supplier believes it can fulfill FCC's needs.

Article 3. Delivery; Inspection; Remedies.

A. **Delivery.** Supplier will arrange all transportation for Components and will deliver Components to FCC DDP (Incoterms 2010) to the FCC facility designated on the applicable Purchase Order, unless FCC directs Supplier in writing to send them to a different destination prior to shipment of the Components. Time is of the essence. If Supplier fails to make timely delivery or fails to make progress so as to endanger timely and proper completion of Services or delivery of Components (including, but not limited to, Supplier fails, or is endanger of failing, to timely meet all PPAP, validation and run-at-rate requirements), Supplier will be in breach and FCC may terminate for cause. Supplier will notify FCC electronically at the time of shipment, in a format approved by FCC, of the Purchase Order number, the Components contained therein, the quantity and description of such Components, and the method of transportation used. If Supplier is unable to meet the delivery requirements set forth in the applicable Purchase Order, Supplier will immediately notify FCC, and deliver the Components as soon as possible. FCC reserves the right to reduce payment for Components or Services received after the scheduled delivery date, or, alternatively, to seek replacement Components or Services from a third party at Supplier's expense. Supplier is liable for all direct, incidental and consequential damages, losses, costs and expenses incurred by FCC and resulting from Supplier's failure to deliver conforming and non-defective Components or Services or to comply with the shipping and delivery or other requirements of FCC and this Agreement.

B. **Inspection.** Supplier is responsible for appropriately packaging all Components to make sure that no damage to such Components occurs during the shipping process, and for performing all Services in accordance with the requirements set forth in the applicable Purchase Order and this Agreement. FCC will reject any Components damaged during the course of shipment, or Services that are not adequately performed. FCC and its customers will have the right to enter Supplier's facilities during normal business hours to inspect any and all Components, Supplier's facilities, and/or the machinery used to manufacture such Components upon forty-eight (48) hours' advance notice to Supplier. FCC also reserves the right to inspect Components upon receipt, and Services rendered, even if payment for such Components has already been received by Supplier. Payment for Components or Services does not constitute acceptance. Upon FCC's request, Supplier will promptly furnish any inspection documentation regarding the Components prepared by Supplier in the ordinary course of business prior to shipping, so that FCC can verify conformance of the Components with the Specifications (as defined in Article 4), as set forth in the applicable Agreements. FCC's failure to inspect Components or Services performed will not be deemed acceptance of defective Components or inadequate Services, nor a waiver of any of FCC's other rights or remedies under the Agreements arising from any defects, non-conformance or other breach by Supplier.

C. **Rejection.** If FCC rejects Components or tender of delivery due to an excess quantity, Supplier will, at FCC's request and within such reasonable period of time as FCC specifies, remove such excess from FCC's facility at Supplier's expense and risk. If there is a shortage of delivered Components to FCC, Supplier will, within a reasonable period of time specified by FCC, deliver conforming Components to fill such shortage. If FCC rejects the Components delivered for any other reason, Supplier will, at FCC's request and within a reasonable period of time specified by FCC, remove such rejected Components from FCC's facility at Supplier's sole expense, and reimburse FCC for any payments FCC made for the rejected Components. If Services are not properly performed, the Services will be promptly re-performed to FCC's satisfaction, as determined in FCC's sole discretion. If Components or Services fail FCC's initial inspection but are useable, as determined in FCC's sole discretion, FCC may choose to accept the Components or Services at a reduced price to be determined in consultation with Supplier.

D. **Remedies.** If Supplier breaches the Agreement in any way, FCC may take any or all of the following actions, without prejudiced to any other rights or remedies available to FCC by law:

- i. require Supplier to repair or replace such -or remedy the inadequate Service provided, and upon Supplier's failure or refusal to do so, repair, replace or remedy the same at Supplier's expense;
- ii. reject any shipment or delivery containing defective or nonconforming Components and return for credit or replacement at FCC's option (at Supplier's cost and risk);
reject inadequate Services and withhold payment therefor; and/or;
- iii. cancel any outstanding Purchase Orders or shipments of Components or Services not yet delivered or performed hereunder with no further liability to FCC whatsoever.

E. **FCC Rights.** If any Components furnished under any Purchase Order are, in whole or in part, defective or otherwise nonconforming with the applicable Specifications, FCC will, in addition to all other rights and remedies provided for by law or these Terms, have the right to recover any and all damages, losses or expenses which result or in any way arise from Supplier's breach. Supplier will reimburse

FCC for all actual attorney's fees (including the cost of in-house counsel) in any action arising out of this Purchase Order, unless Supplier is the prevailing party. FCC will also have the right to require and direct Supplier to remove all nonconforming or defective Components from FCC's facility at Supplier's sole risk and expense. All rights and remedies of FCC, whether provided by these Terms or by law, will be nonexclusive and cumulative. Claims brought under the Agreements (or otherwise), may be brought by FCC at any time within the applicable statutes of limitations.

- F. Supplier's Rights. If FCC materially breaches any term of the Agreements, Supplier's exclusive remedy, and FCC's maximum liability, will not exceed the total of all required payments under this Agreement minus those actually made. In no event will FCC be liable to Supplier for lost profits, unabsorbed overhead, interest, product development or engineering costs, facilities and equipment costs or rental, unrecovered depreciation costs, general and administrative burden charges, business interruption, or incidental, consequential or punitive damages. Any action by Supplier arising out of or relating to this Agreement must be commenced by Supplier within one (1) year after the cause of action has accrued, or such cause of action will be deemed to have been waived.

Article 4. Specifications. All Components or Services will comply with specifications designated by FCC including any specifications of FCC's end customer (together, the "Specifications"). On the basis of its technology and experience, Supplier will examine specifications of the Components and Services or matters presented by FCC as requirements and notify FCC of any matters that should be improved. If Supplier has questions or objections regarding any Component or Service Specifications, it will promptly notify FCC to consult regarding any such questions or concerns and resolve them.

Article 5. Transfer of Ownership and Risk. Notwithstanding any provision hereof to the contrary, title to, and risk of loss of the Components or Direct Delivery Components will remain with Supplier until the Components are delivered to, and unloaded at, FCC's facility. Supplier will indemnify and hold FCC harmless from and against any and all claims asserted against FCC on account of any personal injuries and or property damages caused by the Components, or by the transportation thereof, prior to the completion of unloading at FCC's facility.

Article 6. Special Provision regarding Direct Delivery Components.

- A. If any event occurs that causes Supplier to be unable to promptly deliver any of the ordered quantities of the Components that are to be directly delivered to a third party designated by FCC ("Direct Receiver") pursuant to FCC's instruction ("Direct Delivery Components") or if there is a likelihood of such an event, Supplier will immediately notify FCC and Direct Receiver of the reasons therefor and the planned delivery dates.
- B. If the results of the receiving inspection by the Direct Receiver show any shortfall or excess in quantity or non-conforming or defective Components, upon consultations between the Parties, Supplier will take necessary measures in accordance with Article 3.

Article 7. Price; Payment.

- A. Price. Components or Services purchased under this Agreement will be priced as specified in the applicable Purchase Order. Unless otherwise provided herein, prices shown on a Purchase Order are deemed to include all taxes not expressly imposed by law on FCC, as the buyer of the Components or Services. All prices are firm. FCC will not be obligated to pay any additional charges whatsoever, including but not limited to charges for packing, rating, boxing,

bracing, containers, insurance freight, shipping, transportation, delivery cartage fees, licenses, permits, tariffs, duties, inspections or any related or similar item or service. Supplier will promptly furnish an invoice for the Components or Services supplied, and FCC will not be liable for invoices issued by any party other than Supplier.

- B. Payment. Payment for such Components or Services will be due not less than forty-five (45) days following the later of FCC's receipt of the invoice or receipt of the Components or Services provided. Payment will be made by wire in accordance with Supplier's wire instructions.
- C. Setoff. FCC will have the right to set off any payment or other obligation owed by FCC to Supplier, in whole or in part, against any payment or other obligation owed by Supplier to FCC.

Article 8. Tooling; Supplies.

- A. FCC-Owned Tooling. Supplier acknowledges that all tooling and equipment furnished or paid for by (or on behalf of) FCC for Supplier's use under the Agreements constitutes critical elements of the production and supply of the Components. To the extent that any tooling and/or equipment that has been, is, or will be furnished to Supplier by FCC, or paid for by or on behalf of FCC (FCC-Owned Tooling), Supplier agrees to adhere to the following guidelines:

- i. Completion Date: Commitment dates will be established for first off-tool samples after final drawings or tool designs are approved by FCC and Supplier. Dates will be based upon a mutually agreed lead time from mutually agreed upon final tooling Specifications.
- ii. Breach of Commitment Date: If no design changes have been initiated by FCC after final drawing and design approvals, and the Supplier misses the date committed to by Supplier for first off-tool samples, Supplier will be considered in breach.
- iii. Ownership, and Return: Ownership of FCC-Owned Tooling remains with FCC at all times. Supplier is responsible for all repairs to FCC-Owned Tooling and agrees to maintain and keep FCC-Owned Tooling in reasonably good working order, less ordinary wear and tear. Supplier will also (i) prominently mark FCC-Owned Tooling as property of FCC; (ii) adequately insure FCC-Owned Tooling against loss and damage; (iii) use FCC-Owned Tooling only to produce Components and Services for FCC; (iv) refrain from commingling FCC-Owned Tooling with property of Supplier or with that of a third party and (v) determine and pay all property taxes relating to such FCC-Owned Tooling. Upon completion of work or demand by FCC for any reason, whichever happens first, Supplier will deliver the FCC-Owned Tooling to FCC or other location, as instructed by FCC.

- B. Supplier-Owned Tooling. For tooling paid for by Supplier, Supplier agrees as follows:

- i. The initial tooling and equipment and all subsequent rebuilds will be the sole property of Supplier;
- ii. Supplier will assume all costs associated with equipment and tooling including modifications, maintenance, repair, storage and insurance;
- iii. If any tooling or equipment is damaged, Supplier will pay all costs to repair or acquire new tooling and equipment and produce Components according to the original schedule;
- iv. Upon termination or expiration of the Agreements, FCC may request that Supplier either destroy the equipment or tooling or transfer ownership to FCC. As soon as practicable after receipt of such written request, Supplier will destroy the equipment and tooling or provide

appropriate documentation evidencing transfer of ownership to FCC;

- v. Prior to the destruction of any equipment or tooling, Supplier will provide FCC with at least twenty (20) days' advance written notice of such destruction so that a representative of FCC may witness the destruction;
- vi. Supplier will submit photographs or other evidence of destruction of the equipment and tooling; and
- vii. Supplier will not use such equipment or tooling for a third party without FCC's prior written consent.

C. **Supplies.** When necessary, upon consultation with Supplier, FCC may provide Supplier with materials, semi-finished goods, and components necessary for the manufacturing of the Components or providing Services ("Supplies"). FCC may have Supplies directly delivered to Supplier from a third party designated by FCC ("Designated Third Party"). Supplier may coordinate with the Designated Third Party on matters such as delivery dates and delivery places for such Supplies ("Direct Delivery Supplies"). Supplier will be responsible for performing an inspection upon receipt of Supplies and Direct Delivery Supplies to insure that the same are undamaged. FCC may provide guidance or instructions on inspection items, inspection methods, and other matters upon consultation with Supplier. Supplier will manage Supplies and Direct Delivery Supplies and will not use them for any purpose other than the use for which they were supplied, nor will Supplier assign or lease to a third party, provide as collateral, or otherwise dispose of, the Supplies. Supplier will, at its sole expense, provide a semi-annual inventory report to FCC of all such Supplies and Direct Delivery Supplies in Supplier's possession.

i. **Defective Supplies.** If Supplier finds that Supplies or Direct Delivery Supplies are defective, Supplier will immediately notify FCC of such defect, and FCC will coordinate the removal and replacement of the defective Supplies or Direct Delivery Supplies. FCC or the Designated Third Party, as applicable, will cover the cost of removal and replacement. This will be Supplier's sole remedy for defective Supplies or Direct Delivery Supplies.

D. **Duration.** Supplier expressly agrees to provide Components or Services under the applicable Agreement for the life of the applicable vehicle or other original equipment manufacturer program (including model refreshes as determined by the applicable FCC customer) for which the Components or Services are required, including any Service Part requirements set forth in Article 8.E below. Both Buyer and Seller acknowledge the risk of the program production life being cancelled or extended by FCC's customer.

E. **Service (Aftermarket) Parts.** For current and past models, along with all future models which use Components or Services, service (aftermarket) parts (each a "Service Part") will be ordered directly by FCC. Supplier must continue to provide Service Parts, at the last production price, for a minimum period often (10) years after the obsolescence of the model containing such Components or Services. From time to time during this ten-year period, FCC will issue an order for Service Parts. All orders for past models should be responded to with a lead time estimate not to exceed the timeframes contained in this provision. Service Parts for current models must be supplied within thirty (30) days of the order date. Service Parts for past models must be supplied within seventy-five (75) days of the order date. A copy of the order will be attached to each service part shipment.

Article 9. Quality Guarantee.

A. The receiving FCC facility's Supplier Quality Manual is incorporated into the Agreement by reference and is an integral part of the Agreement. If Supplier does not have a copy of this Supplier Quality Manual, it is Supplier's responsibility to request a copy of it. Supplier will comply with the provisions of the Supplier Quality Manual in all respects. If there is any inconsistency between the applicable Agreement and the Supplier Quality Manual, the terms of the applicable Agreement will prevail with respect to any inconsistency in the commercial terms (e.g. pricing, costs and expenses, delivery terms) and the Supplier Quality Manual will

prevail with respect to any inconsistency in the quality terms, other than terms set forth in Article 4.

B. **Maintenance of Quality Records.** Supplier will retain all production, maintenance and service records relating to all tooling (including FCC-Owned Tooling and Supplier-Owned Tooling), manufacturing processes and any and all testing of Components for a period of at least thirty-six (36) months following the termination of this Agreement for any reason.

C. **Traceability.** Supplier must: (a) be able to trace all products, ingredients, and packaging components with respect to the Components and Services to the original source ("Trace-back"); and, (b) document destination, quantity, and product identifying characteristics (e.g., lot code, manufacture date, production run, etc.) for all outgoing shipments of Components ("Trace-forward"). Source, shipment, methods, programs, policies, other traceability, and product accounting information must be readily available to FCC upon request. Supplier will provide details of its traceability program to FCC prior to first shipment under each Purchase Order. Supplier must be able to account for all finished Components, raw materials, packaging materials, and other items relevant to its processes that it received, stored, handled, processed, shipped, or sold. Supplier must be capable of effectively recalling all Components manufactured by Supplier and must make all recall documentation available to FCC.

D. **Stop Work.** If an inspection or audit conducted under Articles 3.B or 23 finds Components or Services to be defective, non-conforming or that such Components or Services fail to meet the standards set forth in the Quality Assurance Agreement, FCC may verbally issue a stop work order onsite ("Stop Work Order"). Such Stop Work Order will be confirmed in writing by FCC. Following issuance of a Stop Work Order, Supplier will immediately halt all production of Components or rendering of Services and will not resume the same until Supplier has demonstrated that any and all deficiencies identified in the Stop Work Order have been remedied to FCC's satisfaction, as determined in FCC's sole discretion.

Article 10. Warranty.

A. **Authority.** Supplier represents and warrants that it has the full power to enter into the Agreements and to perform its obligations under the Agreements.

B. **Warranty for Products and Services.** Supplier warrants to FCC that all Components or Services will conform to the Specifications, will be of merchantable quality, will be fit for the particular purpose intended, will be of good material and workmanship, are free and clear of all liens, claims and encumbrances and will be free from defects in design, material and workmanship for the Warranty Period (as defined below). In addition, for all Services, Supplier warrants that Services will be performed in a professional and workmanlike manner, consistent with all standards and specifications agreed on with FCC and otherwise consistent with industry standards. All warranties of Supplier extend to future performance of the Components or Services and are not modified, waived or discharged by delivery, inspection, tests, acceptance and payment. FCC's approval of any design, drawing, material, process or specifications will not relieve Seller of these warranties. Supplier waives any right to notice of breach. The Warranty Period is the longest of: four years from the date FCC accepts the Components or Services, the warranty period provided by applicable law, or the warranty period offered by FCC to its customer or by FCC or its customer to end-users for the products into which the Components or Services are incorporated. Supplier hereby agrees that all servicing, repairs and replacements of Components or Services not conforming to the foregoing warranty will be performed, at FCC's option, by Supplier, FCC, or a third party designated by FCC, and that

Supplier will be solely responsible for all costs and expenses including costs and expenses for parts, labor, handling and other charges incurred by FCC, and any third party acting on request of FCC, in connection with this warranty. Service Parts furnished under Article 8.E will be subject to the same warranties as original Components and Services provided under the Agreements. The Warranty Period for a Service Part is the same as that for a production part.

Article 11. Indemnification; Limitation of Liability

A. **Indemnification.** Supplier, together with Supplier's parent, guarantors, and shareholders, hereby agrees to indemnify and hold harmless FCC, its Customers, and as to each of those parties, their respective subsidiaries, shareholders, affiliates, directors, officers, principals, agents and employees, as now and hereafter constituted, from and against any and all loss, liability, damage (including any punitive or exemplary damages), cost and expense of every kind or character (including but not limited to legal fees and legal expenses) which any or all of them may incur, suffer or be required to pay by reason of any claim, suit, demand, proceeding or other action that may be brought against anyone or more of them arising from or related in any way to a breach by Supplier of this Agreement including the failure or alleged failure of a Component or Service to comply with any of the warranties, representations, covenants or agreements of Supplier contained in the Agreements, whether or not caused or occasioned by, or alleged to be caused or occasioned by, any act, omission, fault or negligence of Supplier or of anyone acting on Supplier's behalf or with its consent. In the event that any such claim, suit, demand, proceeding or other action is brought, Supplier covenants that upon notice from FCC in its own right or on behalf of its Customer, Supplier will defend such claim, suit, demand, proceeding or action (or, if applicable, Supplier will cause it to be defended by Supplier's insurer) at Supplier's sole cost and expense, and Supplier will keep FCC and its Customer, as applicable, fully advised of the continuing status of each such defense. At its option, FCC may participate in the defense of any such claim with its own counsel, at Supplier's expense. The provisions of this Article 11 will remain and continue in effect after the term of the applicable Agreement.

Article 12. Insurance. As of the date of the applicable Agreement, Supplier agrees that it will have obtained the following insurance coverage and that such coverage remains in effect for the duration of the Agreement and any warranty period. Upon request by FCC, Supplier will deliver a certificate or certificates of insurance evidencing such coverage.

- A. Commercial General Liability insurance, on an "occurrence" policy form, providing a minimum combined single limit of Four Million dollars (\$4,000,000.) on Bodily Injury and Property Damage, including Personal Injury Liability, Blanket Contractual Liability, Contractor's Protective Liability, and Products and Completed Operations. This limit will apply per occurrence, and in the aggregate, for occurrences in or about the site and will name FCC as an additional Insured.
- B. Comprehensive Automobile Liability insurance providing a minimum limit of \$1,000,000. (combined single limit) in Bodily Injury and Property Damage Liability covering owned, non-owned and hired automobiles. FCC will be listed as an additional Insured.
- C. Statutory Worker's Compensation Coverage including Employer's Liability coverage for minimum limits of \$1,000,000 (if applicable).
- D. Umbrella/Excess Liability -In an amount of no less than Five Million dollars (\$5,000,000).

All policies will be provided by insurance carriers having a minimum rating as published by A. M. Best of A- Class XI or better. Such policies will (i) stipulate that they are providing primary coverage, (ii) with respect to the insurance covered in (A), name FCC as an additional

insured, and (iii) state that coverage thereunder is not contingent upon participation or payment by or under, any other company or policy. A waiver of subrogation will be provided at FCC's request on the above policies. Supplier will pay all premiums and perform all acts necessary to maintain the policies required to be purchased in accordance with the applicable Agreement. Supplier will provide FCC with certificates of such policies upon request and each certificate must show the amount of coverage, number of policy, date of expiration and, if required above, name FCC as an additional insured.

Article 13. Tangible and Intellectual Property.

A. **Tangible Property.** FCC-Owned Tooling and all tools, dies, specifications, drawings, designs, or other property furnished or specifically paid for by FCC or its Customers in connection with the Agreements (collectively, "FCC Property") will: (a) be and remain the tangible and intellectual property of FCC; marked by Supplier as such and kept segregated by Supplier from other property; (b) be used only by Supplier and only in performance of the Agreements; (c) not be moved from Supplier's premises without FCC's prior written consent; (d) not be affixed to real property; (e) be kept free of all liens, claims, encumbrances and restrictions; (f) not be modified or altered by Supplier or any other person or entity, and (g) be maintained by Supplier in reasonably good working order, less ordinary wear and tear. Supplier will bear all risk of loss or damage to FCC Property until it is returned to FCC. Upon request, Supplier will deliver at FCC's expense all FCC Property in good condition, ordinary wear and tear excepted, to any location designated by FCC. Upon the request of FCC, Supplier will execute a bailment agreement in a format reasonably acceptable to FCC with respect to the FCC Property and hereby consents to the filing by FCC of one or more UCC Financing Statements covering the FCC Property. Supplier waives any legal or equitable rights or claims including, but not limited to, all statutory and equitable lien rights, in connection with FCC Property.

B. **Intellectual Property.** All materials, discoveries, ideas, design rights and concepts developed by Supplier and that relate to the Components or Services will be owned by FCC and will be considered works made for hire by Supplier for FCC. FCC will own all United States and international copyrights, patent and other intellectual property rights in work product comprising, or relating to, such works. Provider agrees to assign, and upon creation of each such work automatically assigns, to FCC, its successors and assigns, ownership of all United States and international rights in such work, insofar as any ownership and rights in such work, by operation of law, are not automatically with FCC. From time to time upon FCC's request, Supplier and/or its personnel will confirm such assignment by execution and delivery of such assignments, confirmations or other written instruments as FCC may request. FCC, its successors and assigns, will have the right to obtain and hold in its or their own names all copyright registrations, patents, and other evidence of rights that may be available for such works.

Article 14. Confidentiality. Any trade secrets or other proprietary information of FCC, whether oral, visual or written, will constitute confidential information of FCC even if not marked as such ("Confidential Information"). In addition, Supplier will only use Confidential Information as needed to perform its obligations pursuant to the Agreements and will not disclose Confidential Information to a third party without prior written consent of an authorized officer of FCC, in each instance. For written deliverables provided by Supplier under the Agreements, Supplier will mark such deliverables including any interim or final status reports, updates, or presentations, exclusively as "FCC Confidential," or as otherwise requested by FCC, and will not

mark, or jointly-mark, such deliverables as belonging to Supplier. Such deliverables are considered Confidential Information. Upon the termination or expiration of the Agreement, the Supplier will immediately cease use of the Confidential Information and, upon written request of FCC, will immediately return and provide to FCC the Confidential Information, including all copies. The terms and conditions of the Agreements will be deemed Confidential Information. Supplier will not use the FCC name or any FCC trademarks, trade names, service marks, or quote the opinion of any FCC employee in any marketing materials without first obtaining prior written consent of an FCC authorized officer.

Article 15. Improvement; Review. In order to improve matters such as unit prices, quality, function, and manufacturing methods of the Components, Supplier will actively develop new technology, propose improvements, provide information to FCC, and the like. To the extent necessary to achieve the purposes of the applicable Agreement, FCC may request Supplier to submit materials related to management of quality, manufacturing processes, and other matters, or may obtain Supplier's consent and conduct an examination of the actual condition of quality management and method of managing processes, and give instructions for improvement. If necessary in order to respond to a demand or an order from a government authority or a related organization, in order to comply with laws and regulations, or if necessary to realize the purposes of the applicable Agreement, FCC may request necessary examinations and provision of information by Supplier, and Supplier will actively cooperate with such request.

Article 16. Competitiveness. Supplier will, at all times, be competitive in price, quality, performance and fulfillment obligations. If, during the term of the Agreements, FCC receives from a manufacturer or supplier, other than an affiliate of FCC, an offer to supply Components or Services of comparable quality (in FCC's judgment) at a price lower than the price then-prevailing under the Agreements, FCC may notify Supplier in writing of the competitive offer and request that Supplier meet the competitive offer. Supplier will, within ten (10) days after Supplier's receipt of FCC's request, notify FCC in writing as to whether Supplier will adjust the then-prevailing price under the applicable Agreement to meet the competitive offer. If Supplier does not agree to meet the new price, or if Supplier does not respond to the written notice within the ten (10) day period, FCC may accept the competitive offer. If the competitive offer eliminates FCC's need to secure Components or Services from Supplier in any capacity, the applicable Agreements may be terminated for Cause under Section 17B.

Article 17. Termination.

- A. **Termination for Convenience.** FCC may terminate an Agreement for any reason, in whole or in part, upon thirty (30) days' written notice to Supplier. If such termination for convenience occurs, the Parties will remain obligated to fulfill their respective duties and responsibilities under the applicable Agreement that exist as of the date of termination.
- B. **Termination for Cause.** Either Party may immediately terminate the Agreement for cause if the other Party: becomes subject to revocation or suspension of business by a supervisory authority; dissolves, becomes insolvent, files for bankruptcy, or experiences a material degradation in its credit or financial conditions and fails to provide the other Party with adequate assurances after receiving a demand from the other party for the same; or merges with a third party or is subject to a change of control without first securing FCC's written consent at least thirty (30) days prior to the proposed date of such merger or change of control.

FCC also has the right to terminate the Agreement for cause and upon written notice to Supplier if: (a) FCC's agreement with its Customer for which the Components or Services are purchased is terminated; or (b) if Supplier breaches the Agreement and FCC reasonably believes that such breach threatens to interrupt the production or operations of FCC or its Customer. For all other

breaches, FCC may terminate for cause if Supplier fails to cure within five (5) days after receiving notice from FCC.

Supplier may terminate the Agreement for cause if FCC: 1) has substantially breached the agreement and 2) fails to cure within forty-five (45) days after Supplier provides FCC with written notice of the alleged breach and demands that FCC cure.

Article 18. Force Majeure. Force majeure is any failure or delay by a Party in fulfilling or performing any term of the Agreements when and to the extent such failure or delay is caused by or results from acts or circumstances beyond the reasonable control of the Party unable to perform including, without limitation, acts of God, flood, fire, earthquake, explosion, governmental actions, war, invasion or hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest, national emergency, revolution, insurrection, epidemic, or restraints or delays affecting carriers or inability or power outage ("Force Majeure"). Neither Party will be liable for its failure or delay to perform due to a Force Majeure provided that, if Supplier is unable to perform due to a Force Majeure, FCC will have the right, without obligation or liability to Supplier, to purchase Components and Services from another source until Supplier is able to resume performance of its obligations hereunder.

Article 19. Compliance with Laws and Regulations.

- A. When performing the Agreements, Supplier will comply with related domestic and foreign laws and regulations. If Components or Services are subject to export or import laws or regulations, Supplier will inform FCC of the requirements thereunder and any obligations of the Parties to comply therewith.
- B. Supplier must properly mark all Components, or, as applicable, the packaging containing such Components, with the country of origin of all Components, and must provide to FCC and/or the importing customs broker, proper documentation regarding the country of origin, USMCA (or other applicable trade treaty), certificate of origin, and all other documentation required by any applicable laws or trade treaties.

Article 20. Prohibition of Bribery; Illegal Activity; Foreign Corrupt Practices Act.

- A. The Parties will comply with all applicable provisions prohibiting bribery in each country in which the Parties conduct business under the Agreements. The Parties may not directly or indirectly cause a third party to engage in tortious conduct, provide, promise to provide or offer to provide funds, benefits, or other advantages which are outside the normal course of business. Price discounts to FCC's customers based upon volume of goods sold will not be considered a violation of this Article. The Parties are further prohibited from improperly influencing public officials.
- B. Neither Party nor any of its officers is (i) part of or knowingly conducts business with organized crime groups or any other organizations or individuals which pursue economic benefit by using violence, force, or fraudulent means or (ii) any organization or individual which is on any sanction lists published by any international organization, government authority or any country's central bank.
- C. Supplier will comply with, and cause its agents, employees, and contractors to comply with, all applicable regulatory requirements, including but not limited to, government approvals, policies, laws, regulations and directives that apply to the work that Supplier is doing with FCC, as well as all applicable laws and directives regulating direct and indirect payments and gifts to government officials or others, such as the U.S. Foreign Corrupt Practices Act, the OECD Anti-Bribery Convention, and the UK Bribery Act 2010.

Article 21. Records and Audit. During the term and for at least 36 months following termination or expiration of the Agreements, Supplier will maintain complete and accurate records of the supply of its Components and Services and of the fees charged to FCC. FCC and its

customers will have the right at any time, upon forty-eight (48) hours' advance written notice, to request an independent, third party audit of Supplier's compliance with the Agreements and/or inspect the premises within which Supplier manufactures or provides such Components and Services. Supplier will make all such reasonably requested records available to FCC's selected auditor during any such audit and will cooperate with FCC, its customers, its representatives and its auditors in the conduct of any audit. If it is determined that Supplier has overcharged (or undercredited) FCC, Supplier will credit FCC's account (or, at FCC's option, pay FCC directly) an amount equal to the overcharge. If an audit discloses that Supplier's overcharges (including undercredits) exceeded five percent (5%) of the charges during the period audited, Supplier will also reimburse FCC for the cost of the audit. In the event the results of the audit raise any issues, the Supplier will co-operate with FCC and rectify such issues promptly

which are communicated electronically and signed by the Parties electronically will be deemed to have the same force and effect as all documents signed in hard copy.

(June 2019)

Article 22. Miscellaneous.

- A. Amendment. The Agreements will not be amended without a written agreement duly executed by both Parties.
- B. Relationship of the Parties. The Parties agree and acknowledge that Supplier is an independent contractor and is not an agent or employee of FCC. Supplier is solely liable for payment of employment taxes or other similar taxes or payments in relation to its employees, and neither Supplier nor any of its employees is covered by FCC's worker's compensation or any other insurance of FCC. Supplier's parent and/or guarantors expressly agree to guaranty Supplier's performance under the Agreements.
- C. Consultation. With regard to matters not stipulated in the applicable Agreement or in case doubts on construction of the applicable Agreement arise, both Parties will first try to resolve through mutual consultation in good faith.
- D. Assignment. Supplier will not assign or subcontract any of its duties or obligations under the applicable Agreement without the prior written consent of FCC.
- E. Entire Agreement. This Agreement is a final expression and a complete and exclusive statement of the Agreement between the Parties respecting the subject matter hereof and supercedes all prior and contemporaneous agreements, representations and understandings of the Parties. No amendment to or modification of this Agreement will be valid or binding upon either Party unless it is made in writing and signed by a duly authorized representative of FCC.
- F. Severability. The provisions of the Agreements will be deemed to be severable, and the invalidity of any provisions of the Agreements will not affect the validity of the remaining provisions of the Agreements.
- G. Survival. The obligations, representations, warranties, and covenants of Supplier under these terms and each Agreement that by their nature are intended or reasonably expected to survive the expiration or termination of the Agreement, including Articles 8, 9, 10, 11, 12, 13, 14, and 22, will survive termination or expiration of the Agreements.
- H. Governing Law. Each Agreement will be governed by and construed in accordance with the laws of the state that the FCC entity issuing the Purchase Order is located, notwithstanding any state's conflicts of law provisions otherwise. The Parties expressly agree that any and all actions arising from or related to the Agreements or the Components or Services furnished by Supplier will be subject to the exclusive jurisdiction of the state and federal courts located in the state that the FCC entity issuing the Purchase Order is located. The Parties acknowledge that service of process may be made upon the Parties as provided by applicable law.
- I. Electronic Signatures. All notices, documents and communications

