



## TERMS and CONDITIONS for SUPPLIERS of Goods & Services

The Terms & Conditions set forth below ("Terms and Conditions") have been issued to you as a potential supplier ("Contractor" or "Supplier") to Precision Coil and Rotor. As a condition to becoming an approved Supplier of goods and/or services to the Company, including any on-site services to be performed on the Company's premises, a signed copy of this document must be on file in the Company's offices indicating Supplier's acceptance, without exception or modification, of the Company's standard Terms and Conditions. Failure to sign and return this document will be considered a refusal of acceptance of these Terms and Conditions and Supplier will not be approved as a Supplier for future projects with this Company.

**1. OFFER, ACCEPTANCE AND MODIFICATION.** This Purchase Order, comprised of these Terms and Conditions, any information contained on the face hereof and any documents incorporated herein by specific reference, is an offer ("Offer") to Supplier by Buyer to purchase the goods or services ("Goods") designated on the face hereof. Upon acceptance by Supplier, this Offer shall become a binding contract between Buyer and Supplier ("Agreement"), and shall be the complete and exclusive statement of such agreement, superseding any prior discussions or agreements, written or oral, relating to the purchase of Goods. Supplier may accept this Offer by signing on the face hereof, but in any event beginning work hereunder shall constitute acceptance of the Offer by Supplier. Acceptance is expressly limited to the terms of this Offer. Modifications proposed by Supplier are expressly rejected and are not part of the Agreement except upon Buyer's issuance of a Purchase Order Amendment ("Amendment") expressly accepting any such modification.

**2. PURCHASE PRICE.** The purchase price for the Goods shall be as stated on Buyer's Purchase Order ("Purchase Price"). All pricing is firm and not subject to change unless otherwise agreed in writing by Buyer.

**3. PAYMENT TERMS.** Except as otherwise specified in Buyer's Purchase Order, payment terms are Net Forty-five (45) days.

**4. CHANGES.** Buyer may at any time by Amendment or other writing signed by it, change the design (including drawings, materials, and specifications), processing, method of packing and shipping, quantity and the place of delivery of the Goods. In such case, the time for performance and Purchase Price shall not change unless Supplier notifies Buyer in writing, within ten (10) days of receipt of such change that an adjustment in Purchase Price or time for performance is necessary. If Buyer determines that any such change materially affects cost or timing, Buyer shall equitably adjust the Purchase Price and delivery schedules. Supplier shall not make changes to the Agreement without Buyer's written approval.

**5. VOLUME PROJECTIONS.** Supplier acknowledges that any estimates, forecasts or projections of future anticipated volume or quantity requirements for Goods supplied by Buyer are for informational purposes only and are subject to change at any time.

**6. CUSTOMER FURNISHED PROPERTY.** (A) The term "Customer Furnished Property" shall mean all tools, equipment, materials or other property which is either supplied by or on behalf of Customer or its Representatives to Supplier to perform the Services or furnish the Goods, or purchased by Customer from Supplier which is to be "delivered in place" and stored at Supplier's facility. Title to Customer Furnished Property shall remain with Customer and risk of loss shall be with the Party who has possession. For Customer Furnished Property in Supplier's possession, custody or control, Supplier shall insure against loss and damage in an amount equal to full replacement cost. Customer Furnished Property shall carry no guarantee or warranty, express or implied. Supplier shall not use Customer Furnished Property on any work other than the Goods/Services. Supplier shall clearly mark Customer Furnished Property to show Customer's ownership and prevent a lien, encumbrance or challenge to Customer's title thereto. Supplier shall, at its own expense, maintain and repair Customer Furnished Property returning it to Customer in the condition in which received, reasonable wear and tear excepted. Upon expiration or termination of the Purchase Order, Supplier shall dispose of Customer Furnished Property as Customer directs in writing. Customer reserves the right to abandon Customer Furnished Property at no additional cost to Customer. This Purchase Order shall remain in effect so long as Supplier possesses Customer Furnished Property.

**7. PACKING, MARKING, AND SHIPPING.** (a) Supplier shall pack and ship the Goods in accordance with the requirements of Buyer and the carrier transporting such Goods. Supplier shall mark each package in accordance with Buyer's instructions and any additional instructions of the carrier. Supplier will reimburse Buyer for costs incurred as a result of improper packing, marking, routing, or shipping. (b) Supplier shall not charge separately for packing, marking or shipping unless Buyer authorizes such charges in writing, in which case Supplier shall add such charges to its invoice as a separate item and attach supporting data. (c) Buyer may require shipment of the Goods by a more expeditious method of transportation if Supplier fails to meet shipping deadlines set forth in the Purchase Order or shipping release. Supplier shall bear the cost difference of such expedited transportation unless such failure is due to an excusable delay per Section 17. (d) Supplier shall bear the risk of loss for any loss, damage or injury which results from, or occurs during shipment of the Goods.



**8. EXPORT/IMPORT.** For each international shipment, Supplier shall include a price invoice with the master packing slip and upon request shall furnish all other required export/import documents. Export credits and customs drawbacks shall belong to Buyer or its designee. Upon request, Supplier shall furnish in satisfactory form all documents required to obtain export credits and customs drawbacks or to satisfy any other government requirement, including certificates that identify the country of origin of the materials used in the Goods and the value added in each country.

**9. ACCEPTANCE AND INSPECTION.** Receipt of the Goods does not constitute acceptance. All Goods are subject to Buyer's right of inspection and rejection. Any such inspection shall not relieve Supplier of its obligations hereunder. Goods that are rejected may be returned to Supplier at Supplier's expense, or retained and corrected at Buyer's election. Supplier shall cooperate with Buyer in determining appropriate method(s) of correction. Supplier shall reimburse Buyer for all expenses of correcting non-conforming Goods as well as any and all other expenses arising from or incident to rejection of the Goods.

**10. PROPRIETARY RIGHTS.** (a) Except as otherwise stated in this Agreement, neither party transfers to the other party any patent, trade secret, trademark, copyright or other intellectual property right owned by such party ("Intellectual Property Right"). (b) Supplier grants to Buyer and its affiliated companies a nonexclusive, royalty free, irrevocable license of Supplier's Intellectual Property Rights to: (i) use, sell, and modify Goods and incorporate the Goods into other products for use or sale; and (ii) in the case where Supplier is unable to perform or has breached this Agreement, to make Goods or have Goods made by an alternate source for the remaining duration of the Agreement or as otherwise mutually agreed to in writing. Buyer may share with third parties any drawings or other information provided by or through Supplier and related to the Goods. (c) All works of original authorship, ideas, inventions (whether patentable, patented or not), know-how, processes, compilations of information, and other intellectual property created by Supplier for which the development was paid for by Buyer (collectively, "Proprietary Materials"), and all Intellectual Property Rights in such Proprietary Materials, are owned by Buyer. Supplier agrees that all such Proprietary Materials created by Supplier for which the development was paid for by Buyer are "works made for hire" as that term is used in connection with the U.S. Copyright Act. (d) Supplier shall be solely responsible for the defense or settlement of every claim of infringement of any present or future patent, copyright, industrial design right, or other proprietary right that results from the sale or use of the Goods (i) alone, (ii) in combination by reason of their content, design, or structure, or (iii) in combination in accordance with Supplier's recommendations, or at Buyer's option provide all reasonable assistance to Buyer in Buyer's handling of such claims. Supplier's obligations shall apply even though Buyer furnishes all or any portion of the design and specifies all or any portion of the processing.

**11. CONFIDENTIALITY.** In connection with the Purchase Order, Supplier may have access to Buyer's confidential information, including, without limitation inventions, developments, know how, specifications, business plans, results of testing, systems, financial information, product information, methods of operation, customer information, supplier information and compilations of data ("Confidential information"). Supplier shall use Buyer's Confidential Information only for the purposes contemplated under this Agreement and shall not disclose it to third parties or otherwise use it for its own advantage or to Buyer's detriment. Confidential Information shall not include information which: (a) is or becomes publicly available without breach of this Agreement by Supplier; (b) was known to Supplier prior to its receipt from Buyer as evidenced in writing; or (c) is developed by Supplier independently of its access to Buyer's Confidential Information. Supplier is permitted to disclose Buyer's Confidential Information to its employees, agents and authorized subcontractors ("Agents") on a need to know basis only, provided that such Agents have written confidentiality obligations to Supplier no less stringent than the confidentiality obligations herein. Supplier shall be liable for any breach of this Paragraph 11 by its Agents. Upon termination of the Agreement, Supplier shall at Buyer's election, return or destroy Buyer's Confidential Information and shall not use Buyer's Confidential Information for its own or any third party's benefit. Supplier's confidentiality obligations shall survive termination of the Agreement for so long as Buyer's Confidential Information remains confidential. In order to assure that Buyer is able to obtain the full benefit of the restrictions set forth in this Section, Buyer shall be entitled to injunctive relief, including, but not limited to, emergency, preliminary, temporary and permanent injunctions, from any court of competent jurisdiction as may be necessary to enjoin any violation of the foregoing covenants, without the necessity of proving immediate irreparable harm or an inadequate remedy at law.

**12. WARRANTY.** (a) Supplier warrants, whether or not it is a merchant of the Goods provided under this Agreement, that all Goods supplied by it: (i) shall be of good quality and free from defects, latent and patent, in design, materials and workmanship; (ii) shall conform to all specifications, drawings and descriptions furnished, specified or adopted by Buyer; (iii) shall be merchantable and suitable and sufficient for their intended purpose; and (iv) shall be free of any lien or claim of any third party. (b) If Supplier breaches its warranty obligations hereunder, Buyer shall be entitled to any and all legal remedies provided under the laws of the State of Alabama, including but not limited to those contained in Alabama's version of the Uniform Commercial Code. (c) Supplier will indemnify and hold Buyer harmless against all costs damages, losses, claims and expenses (including actual costs for attorneys, experts and consultants, settlement costs and judgments) occasioned by, resulting from, or arising out of any claim by a third party for death, personal injury, or property damage which results from: (i) any defect or alleged defect in the Goods supplied by Supplier; (ii) any noncompliance or alleged noncompliance by Supplier with any of its representations, warranties or obligations under



this Agreement; or (iii) any negligence or fault or alleged negligence or fault of Supplier in connection with the design or manufacture of the Goods.

**13. SUBCONTRACTING AND ASSIGNMENT.** Supplier may subcontract for goods or services to be incorporated in the Goods to be provided under this Purchase Order, but Supplier shall not subcontract or assign all of its duties hereunder without Buyer's prior written approval.

**14. ADVERTISING.** Supplier shall not refer to Buyer, this Agreement or any relationship between Buyer and Supplier in advertising or public releases without Buyer's written approval.

**15. COMPLIANCE WITH LAW.** (a) Supplier as well as all Goods furnished by Supplier shall comply with all federal, state, provincial, local and foreign laws, orders, rules, regulations and ordinances, including import and export laws and regulations and any and all safety laws, regulations and standards, that may be applicable to Supplier's performance of its obligations under the Agreement and (b) Any clause required to be included in an Agreement of this type by any applicable federal, state or local law, rule or regulations shall be deemed to be incorporated herein by reference.

**16. PRECISION COIL AND ROTOR CODE OF CONDUCT.** Supplier shall comply with the principles and requirements of the "PRECISION COIL and ROTOR Supplier Code of Conduct" attached hereto as Exhibit A (hereinafter the "Code of Conduct"). In addition to any other rights and remedies Buyer may have, in the event of (i) Supplier's material or repeated failure to comply with the Code of Conduct or (ii) Supplier's denial of Buyer's right of inspection as provided for in the paragraph of this Section, after providing Supplier reasonable notice and a reasonable opportunity to remedy, Buyer may terminate this Purchase Order without any liability whatsoever. Material failures include, but are not limited to, incidents of child labor, corruption and bribery, and failure to comply with environmental protection requirements. The notice and remedy provisions herein shall not apply to material failures set forth in the preceding sentence.

**17. EXCUSABLE DELAYS.** Neither Buyer nor Supplier shall be liable for a failure to perform that arises from causes or events beyond its reasonable control and without its fault or negligence, including labor disputes of any kind. In the event of a delay in performance, Buyer, at its option, may acquire possession of all finished goods, work in process, and parts and materials produced or acquired for the work hereof, and, upon Buyer's request, Supplier shall immediately deliver such property to a carrier selected by Buyer, properly packed and marked in accordance with the requirements of the carrier and Buyer, at Buyer's option F.O.B. carrier, Supplier's facility, freight collect.

**18. SALES AND USE TAXES.** Supplier must include sales or use tax on other Goods if Supplier is licensed to do so by the tax authorities of the destination. Supplier must identify the sales or use tax on Supplier's invoice as a separate item.

**19. TERMINATION.** (a) Buyer may terminate this Purchase Order, in whole or in part, at any time, by a written notice of termination to Supplier. Buyer shall have such right of termination notwithstanding the existence of an excusable delay per Section 17. (b) Upon receipt of the notice of termination, Supplier, unless otherwise directed by Buyer, shall: (i) return to Buyer or its designee all Buyer's Property; (ii) terminate promptly all work and services under the Purchase Order; (iii) transfer title and deliver to Buyer the finished Goods, the work in process, and the parts and materials which Supplier produced or acquired in performance of the Purchase Order and which Supplier cannot use in producing goods for itself or for others; (iv) settle all claims by subcontractors for actual costs that are rendered unrecoverable by such termination; and (v) take actions necessary to protect property in Supplier's possession in which Buyer has an interest. (c) Upon termination by Buyer under this Section, Buyer's sole obligation to Supplier shall be: (i) payment of the Purchase Price for all finished Goods which conform to the requirements of the Purchase Order; (ii) payment of Supplier's actual cost of the work in process and parts and materials transferred to Buyer in accordance with subsection (b)(iii) hereof; (iii) payment of Supplier's actual cost of settling the claims by subcontractors referenced in subsection (b)(iv) hereof; and (iv) payment of Supplier's actual cost of carrying out its obligation of subsection (b)(v) hereof. Buyer's obligations under this Section shall not exceed those Buyer would have had to Supplier in the absence of termination. Upon such termination, Supplier agrees to waive all claims for damages, including those for loss of anticipated profits and accept the remedy set forth in this Paragraph 19 as its sole and exclusive remedy. Buyer shall have no liability for undelivered Goods that are considered Supplier's "standard stock". (d) Supplier shall furnish to Buyer, within one month after the date of termination, Supplier's termination claim, which shall consist exclusively of the items of Buyer's obligations to Supplier that are listed in subsection (c) hereof. Buyer may audit Supplier's records, before or subsequent to payment, to verify amounts requested in Supplier's termination claim. (e) Notwithstanding any terms in this Agreement to the contrary, Buyer shall not be liable to Supplier under 19(c), if Buyer terminates this Purchase Order because of Supplier's default or breach.

**20. LIENS AND CLAIMS.** All Goods provided hereunder shall be free of all liens, claims and encumbrances. Supplier agrees that it will hold Buyer harmless from all liens or claims which may at any time be asserted by Supplier's subcontractors or materialmen and, if requested to do so, Supplier shall obtain from its subcontractors and file with Buyer a release, in form acceptable to Buyer, of construction lien claims to which such subcontractors may at any time be entitled. Supplier's final invoice must be accompanied by an affidavit showing full payment of all bills for labor and material and all sums due Supplier's subcontractors. Supplier's acceptance of final payment shall constitute a waiver of all claims against Buyer.



**21. WAIVER.** The failure of Buyer to enforce any one or more of the provisions of this Agreement shall not be construed to be a waiver thereof, nor shall such failure affect the validity of Buyer's Purchase Order, this Agreement or the right of Buyer thereafter to enforce each and every such provision.

**22. OWNERSHIP OF DRAWING AND DOCUMENTS.** Ownership of drawings, plans, reports, designs, specifications, software and other technical documents developed and/or supplied by Supplier under any Purchase Order shall vest in Buyer except that all pre-existing copyrighted and/or patented intellectual property rights shall remain the property of Supplier.

**23. APPLICABLE LAW AND VENUE.** This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Alabama without giving effect to its conflicts of law provisions. Venue shall be proper in, and Buyer and Supplier irrevocably submit to the jurisdiction of the state and federal courts located in the State of Alabama.

Supplier Name: \_\_\_\_\_ Signature: \_\_\_\_\_

Date: \_\_\_\_\_ Print Name: \_\_\_\_\_

Title: \_\_\_\_\_



## **Exhibit A – Supplier Code of Conduct**

This Code of Conduct defines the basic requirements placed on Suppliers for Precision Coil and Rotor, to include suppliers, contractors, and consultants (collectively herein referenced as “Suppliers”) and their responsibility to comply with applicable and controlling laws, rules, and regulations (collectively herein referenced as “applicable laws”) and at a minimum, with standards of business conduct consistent with those set forth in this Supplier Code of Conduct (“Code”). It is Precision’s expectation that Suppliers, their employees, sub-suppliers and any other parties involved, similarly comply with the applicable laws and the standards set forth in this Code.

Precision Coil and Rotor expects the following from all its Suppliers:

### ***HUMAN RIGHTS AND LABOR STANDARDS***

- **Forced Labor, Human Trafficking and Slavery** – Supplier shall not use any form of forced labor including prison, indentured, bonded, military, slave or any other forms of forced labor. Supplier shall not participate in the recruitment, transportation, transfer, harboring or receipt of any persons by means of threat, use of force, or any other forms of coercion, abduction, fraud, deception, abuse of power or position of vulnerability, or the giving or receiving of payments or benefits to achieve the consent of a person having control over another person for the purpose of exploitation. Suppliers shall not retain an employees’ government-issued identification, passports or work permits as a condition of employment and shall allow employees to resign from their positions at anytime.
- **Child Labor** – Supplier shall ensure that no underage labor has been used in the production or distribution of their goods or services. Employees must not be younger than the minimum employment age established by the respective country or local jurisdiction. In the event no minimum employment age is established, employees must not be younger than the age of compulsory education; or if no minimum age for compulsory education is established, employees should not be younger than age 15.
- **Working Hours/Wages and Benefits** – Supplier’s employee working hours must be in compliance with all applicable laws and regulations. Suppliers must have a system in place to verify and accurately record payroll, deductions and the hours worked by legally authorized employees. Suppliers must comply with all applicable wage and compensation requirements as defined under applicable labor laws for regular work, overtime, maximum hours, piece rates, and other elements of compensation and employee benefits.
- **Freedom of Association and Collective Bargaining** – Supplier must adhere to applicable laws regarding the right to affiliate with lawful organizations without interference.
- **Nondiscrimination** – Employment by Supplier shall be based solely on person’s ability and not personal characteristics. Supplier shall maintain a workplace free of unlawful discrimination, which includes, but is not limited to, race, gender, sexual orientation, age, pregnancy, caste, disability, union membership, ethnicity, religious belief or any other factors protected by applicable law. Employees shall not be subject to verbal, physical, sexual or psychological abuse or any other form of mental or physical coercion and shall be treated with respect and dignity.
- **Conflict Minerals** – Supplier must make reasonable efforts to avoid in its products the use of raw materials which directly or indirectly finance armed groups who violate human rights.

### ***HEALTH AND SAFETY***

- **Working Environment** – Suppliers shall provide safe and healthy working environments to prevent accidents and injury to health. Suppliers shall minimize employee exposure to potential safety hazards by identifying, assessing and minimizing risks by developing and implementing plans and procedures. Suppliers will provide training and ensure that employees are educated in health and safety issues and set up or use a reasonable occupational health & safety management system.

### ***ENVIRONMENT***

- **Environmental Impact** – Suppliers shall be sensitive to its impact on the environment (including but not limited to air emissions, water discharge, toxic substances and hazardous waste disposal). Supplier must act in accordance with the applicable statutory and international standards regarding environmental protection. Suppliers must use care in handling hazardous materials or operating processes or equipment that use hazardous materials to prevent unplanned releases into the workplace or the environment.

### ***BRIBERY AND CORRUPTION***

- **Anti-Bribery and Anti-Corruption** – Suppliers shall not engage in any form of corrupt practices including without limitation to, extortion, fraud, impersonation, false declarations, bribery, money laundering, supporting or involved with terrorist or organized crime organizations or activities. Suppliers shall not offer bribes, kickbacks, illegal political contributions or other improper payments to Precision Coil and Rotor representative or agency, any customer, government official or third party, with the intention of obtaining or retaining a business or other improper advantage. Suppliers must have a written anti-corruption / anti-bribery policy that includes an annual review with its employees of such policy.