

**THIS AGREEMENT IS SUBJECT TO THE SOUTH CAROLINA UNIFORM ARBITRATION ACT (TITLE 15 CHAPTER 48) OR THE FEDERAL ARBITRATION ACT (9 U.S.C. §§1-16).**

**APPLICABILITY; PRIORITY.** Purchase of any services and/or goods (**Work**) by PowerParts Group LLC and its related companies Thor Precision LLC, Star Turbine, Inc., and Star Field Services LLC (PPG) is expressly conditioned on the Supplier's assent to all provisions contained in these Supplier Terms and Conditions (**Terms**), PPG's request for quotation (**RFQ**), and any PPG-issued purchase order (including technical specifications, exhibits, schedules, and other attachments thereto; **PO**). These Terms are incorporated into each RFQ and PO by reference and as if fully stated therein. The Terms, RFQ, and PO collectively may be referred to herein as the **Agreement**. The Terms constitute a valid, binding agreement between PPG and Supplier. Unless individually identified, reference to the Terms herein will include the RFQ, and PO. Supplier's assent hereto may be manifested by express written consent, as well as by a statement of intent or any action to supply Work to PPG. Absent PPG's express prior consent, Supplier's additional or different terms (including modifications to these Terms) are hereby rejected and of no effect. In the event of conflict, RFQ provisions supersede these Terms, and PO provisions supersede a previously issued RFQ.

**SCOPE OF WORK.** Supplier's scope of work (**Scope**) will be detailed in any RFQ or subsequently issued PO. The Scope will include all labor, equipment, parts, materials, and anything else necessary to provide the Work to PPG, whether such items are detailed, specified, or itemized in the Scope.

**Change Orders.** Changes to a PO (**Change Orders**) (1) may be requested by PPG or proposed by Supplier; (2) must be documented; (3) are effective and binding only if signed by both parties prior to the change; (4) modify the Terms and an applicable PO only as expressly and specifically enumerated; and (5) automatically become part of these Terms. Notwithstanding the foregoing, PPG may require changes or adjustments to the Work that do not increase Supplier's actual cost of performance without a Change Order or additional compensation. PPG may accept, reject, or refuse additional compensation for a Supplier-initiated change that is not previously approved by PPG; and Supplier bears the risk of Loss (subsequently defined) created by any unapproved change.

**Schedule.** Time is of the essence. Supplier must perform or deliver the Work as scheduled in an applicable PO or (in the absence of a schedule) as promptly as reasonably practical according to industry standards. Supplier will immediately notify PPG of any potential or actual inability to timely perform or deliver the Work, and PPG may take whatever alternative action (at Supplier's sole cost and expense) PPG deems necessary to meet its obligations or mitigate potential Loss.

**Ownership.** PPG will have sole and exclusive ownership of any and all technical specifications, research, reports, studies, data, documentation, inventions, discoveries, intellectual property thereto, and all derivative rights (**Inventions**) (1) generated in the course of, incorporated in, or otherwise relating to the Work; and (2) whether produced by Supplier or PPG. PPG will automatically own any and all right, title, and interest to such Inventions. Upon request, Supplier will execute such applications, assignments, and instruments acknowledging and protecting PPG's ownership in the Inventions.

PPG will have sole and exclusive ownership of all technical specifications, research, reports, studies, data, documentation, as well as any intellectual property (Intellectual Property) (1) created for, derived from, or relating to the Work and (2) whether produced by Supplier or PPG. All such Intellectual Property will be subject to the business value protection provisions contained herein.

**PRICE; PAYMENT.** Each PO will contain and govern the purchase price and payment terms for applicable Work, including (1) materials; (2) labor; (3) taxes, regulatory fees, bonds, and

permitting costs; (4) Supplier's travel, room, and board; and (5) any other costs relating to Supplier's performance and delivery of the Work. PPG will not be obligated to pay any other costs or charges not identified, quantified, or calculated in an applicable PO or Change Order. As a condition to payment, PPG may request an itemized invoice of calculated charges (e.g.: governmental fees, expenses, materials, etc.).

**NON-DISCLOSURE. Confidential information** means any information (regardless of form or recorded media) that (1) came or comes into Supplier's possession or knowledge (whether before or after the date of this Agreement); (2) was obtained from or on behalf of PPG, and that is not readily, easily, or generally available to the public by proper means through sources outside PPG; and (3) concerns the Work or PPG's business operations, affairs, services, or products. Supplier will keep the confidential information secret and confidential. Supplier will not disclose the confidential information to any third parties except as necessary for the proper performance of Supplier's services to PPG. Supplier will not use the confidential information in any manner that could diminish its commercial value to PPG. Supplier will immediately report any breach of its nondisclosure obligations herein.

**NON-SOLICITATION.** Without prior consent, for a period of one year from the date of this Agreement, neither party shall call on, solicit for hire, attempt to hire, or hire (or encourage another person to do the same) any employee of the other; this protection shall not apply to employees responding and hired in response to a mass media solicitation for employment.

**REPRESENTATIONS; WARRANTIES.** Supplier represents and warrants as follows: (1) Supplier has not infringed or violated any third-party intellectual property or trademark rights relating to the Work; Supplier has obtained all applicable governmental registrations, approvals, and requirements necessary for the performance, manufacture, assembly, and delivery of the Work. (2) The Work will be merchantable; fit for its intended use; and free from any defect in design, manufacturing, warranty, material, and workmanship. (3) The Work will be assembled in full compliance with PPG's design/technical specifications as set forth in the PO.

**SUPPLIER INSURANCE.** From commencement of services to PPG to final performance or delivery of the Work, Supplier will at its own expense maintain the following minimum insurance coverage: (1) workers' compensation pursuant to applicable state, federal, and other regulatory requirements -- \$1,000,000.00 per occurrence of employers' liability; (2) comprehensive general liability, including (a) product/completed operations coverage (for a minimum of two years after acceptance of Work ), (b) bodily injury and property damage, and (c) coverage for damage to property in Supplier's care, custody or control -- \$1,000,000.00 combined single limit per occurrence; (3) comprehensive automobile liability covering all owned, hired, and non-owned automotive equipment used by or with the permission of the Supplier, for bodily injury and property damage -- \$1,000,000.00 combined single limit per occurrence; and (4) broad form umbrella liability for bodily injury and property damage -- \$1,000,000.00 combined single limit per occurrence. Each insurance policy will (1) name as additional insured PPG, its affiliates, agents, and employees; (2) expressly state that coverage and limits may not be cancelled or modified without 30-days prior written notice to PPG; (3) contain a waiver of subrogation, severability of interest, and cross-liability provision; and (4) state that Supplier's insurance is primary to any other insurance carried by PPG. Upon PPG's periodic request, Supplier will provide to PPG the insurance certificate(s) documenting Supplier's compliance with its insurance obligations herein. Notwithstanding the foregoing, Supplier's liability is not limited to its insurance coverage.

**INDEMNITY.**

**Supplier's Indemnification Obligations.** Supplier will indemnify, defend, and hold PPG harmless for any losses, liabilities, claims, damages, costs, and expenses (including attorneys' fees and other expenses of litigation) (collectively, **Losses**) resulting from the following: (1) Supplier's breach of its obligations, representations, and warranties contained in this Agreement; (2) Supplier's negligence, gross negligence, or willful misconduct relating to the performance of its obligations under the Agreement; (3) Supplier's violation of applicable law or governmental regulation; (4) any design, manufacturing, or warranty defect in the Work.

**PPG's Indemnification Obligations.** PPG will indemnify, defend, and hold Supplier harmless for any Losses resulting from the following: (1) PPG's breach of its obligations, representations, and warranties contained in this Agreement; (2) PPG's negligence, gross negligence, or willful misconduct relating to the performance of its obligations under the Agreement; (3) PPG's violation of applicable law or governmental regulation; (4) any alteration, modification, or damage to the Work after delivery by Supplier and related to PPG's direct act, omission, or failure to properly handle the Work.

**Procedure.** The claiming party shall promptly notify the indemnifying party, in writing, of the claim for indemnifiable damages (**Notice of Claim**). The Notice of Claim shall provide the indemnifying party with reasonable notice as to the nature of the claim by including its factual and contractual (if applicable) bases. If the Notice of Claim relates to a claim or demand asserted by a third party against the claiming party, then the indemnifying party may employ counsel (reasonably acceptable to the claiming party) to defend the claim, and the claiming party shall cooperate in defending against the claim. The indemnifying party shall notify the claiming party, in writing, within 30 days after the date of the Notice of Claim of its election to defend. As long as the indemnifying party is defending against the claim, in good faith, the claiming party will not settle or compromise the claim. The claiming party will make available to the indemnifying party, or its agents, all records or other materials in the claiming party's possession reasonably required for use in defending against the claim. If the indemnifying party fails to defend, then the claiming party may employ legal counsel of its choice, the expense for which shall be borne by the indemnifying party.

**TERMINATION.** PPG may cancel or suspend all or any portion of a PO at any time (1) with cause if Supplier fails to perform or deliver the Work according to the Agreement or otherwise breaches the Agreement; and (2) without cause upon immediate notice to Supplier. For cancellation with cause, PPG will pay Supplier for any Work accepted prior to cancellation. For cancellation without cause, PPG will pay Supplier for any Work accepted prior to cancellation, as well as for materials and other actual documented costs Supplier incurred prior to cancellation in preparation for the Work. Suspensions will be deemed cancellations and classified as "with" or "without" cause according to the precipitating circumstances if PPG fails to reauthorize the Work's continuance within 30 days following the suspension.

**DISPUTE RESOLUTION.** If a dispute arises related to the subject matter of this Agreement that cannot be resolved by the parties, then either party may initiate arbitration by notifying the other. The dispute will be arbitrated under authority of the South

Carolina Uniform Arbitration Act (SC Code Title 15 Chapter 48) or the Federal Arbitration Act (9 USC §§1-16), but, subject to the provisions of this Section, will proceed in accordance with the CPR Non-Administered Arbitration Rules in effect on the date of this Agreement (see, [www.cpradr.org](http://www.cpradr.org)). Within five business days after such notice, the parties will in good faith attempt to select a single arbitrator; if they cannot, then each party will select (at its expense) a neutral who will collectively select a third neutral to arbitrate the matter. If either party fails to select a neutral for this purpose, then the neutral selected by the performing party shall either arbitrate the matter or select another arbitrator, which arbitrator may be (but is not required to be) a CPR neutral and will solely arbitrate the matter. The place of arbitration shall be in Greenville County, South Carolina. Unless otherwise agreed by the parties, the arbitration will take place within 60 days of the notice initiating arbitration. Unless otherwise determined by the arbitrator, the prevailing party will be entitled to be paid all of its out-of-pocket costs, including fees for legal services and arbitrators fees related to the arbitration, including the selection of the arbitrator. The assessment of legal fees will also apply to the extent of any action taken in a court of law to enforce the arbitrator's decision. Judgment upon an arbitrator's decision may be entered by any court having jurisdiction over the affected party. Notwithstanding the foregoing, either party may institute legal action with a court of competent jurisdiction to enjoin the other party from violating the non-disclosure provisions in this Agreement; such action may be initiated in Greenville County, South Carolina. The parties agree that a \$10,000 bond shall be adequate security with respect to any injunction which may issue, but shall in no way otherwise limit damages suffered by either party, the determination of which shall be subject to arbitration.

**INDEPENDENT CONTRACTOR.** Supplier will perform or provide the Work solely as an independent contractor. This Agreement creates no actual or apparent agency, partnership, franchise, or employer/employee relationship between the parties. Supplier's employees are not entitled to participate in any PPG benefits, including without limitation any health or retirement plans. PPG is not liable for taxes, workers' compensation, unemployment insurance, employers' liability, employer's FICA, social security, withholding tax, or other taxes or withholding for or on behalf of Supplier's employees. All such obligations are Supplier's responsibility.

**GENERAL PROVISIONS.** (1) This Agreement constitutes the parties' entire agreement and may not be modified except in writing signed by all parties. (2) Supplier may not assign its rights or obligations hereunder without PPG's prior written consent. (3) All notices shall be deemed sufficiently given if delivered in any traceable manner to the addresses set forth herein. (4) The rights and obligations hereunder will inure to the benefit of (and be binding upon) the parties and their affiliates, successors, and assigns. (5) Any interpretation will be based upon South Carolina law, without application of conflicts of laws principles. (6) Subject to the dispute resolution provisions, the parties hereby irrevocably submit to the jurisdiction (and waive any claim of inconvenient forum) of the state or federal courts located in Greenville County, South Carolina USA, for any suit or action arising relating to this Agreement. (7) Each party has had the opportunity to receive independent legal advice regarding this Agreement and the meaning of its provisions.