

EPC Power Corporation General Terms and Conditions

1. Acceptance of Purchase Order. This document shall represent the binding purchase order agreement between EPC Power Corporation (the "Buyer") and the supplier / provider (the "Seller") referenced on the purchase order (P.O.). By acceptance of the P.O., both buyer & seller mutually agree to the terms and conditions outlined in this document as first precedence, unless otherwise noted, mutually approved, and documented.

- a. Cost / price on the P.O. shall include all the seller's required materials, labor, packaging, storage, taxes, fees, overhead required to produce the P.O. line item.
- b. This P.O. is considered accepted within five (5) business days of receipt if no communication in writing is received from the seller. Any seller delay in the execution of this P.O. shall be communicated as soon as possible to the buyer in writing and shall include a revised schedule / recovery plan to meet the requirement date(s) on this P.O. Any additional costs incurred by the seller in meeting the requested schedule shall be borne by the seller unless prior approval is given in writing by the buyer.
- c. The seller shall provide as close as possible an estimated cost for tariffs and expedite fees (separate from normal freight) for the buyer to include as a separate service line item on the buyer's P.O. when needed.
- d. The seller shall flow any & all applicable terms & conditions specified within to any subcontractor or supplier of materials used to produce the item requested on the P.O.
- e. Entire Agreement. This P.O., including and together with any related exhibits, schedules, attachments, and appendices, constitutes the sole and entire agreement of the Parties with respect to the subject matter contained herein and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, regarding such subject matter.

2. Change Management.

- a. Any & all changes to the P.O. not limited to, but including, these terms and conditions (Ts&Cs); quantities, cost / price; additional fees, charges, taxes, tariffs; part numbers, and associated revisions of drawings or specifications shall require mutual agreement and written approval.
- b. For production items, these changes shall be communicated by the buyer's authorized procurement department personnel only. For any changes requested verbally or in writing by any other group within the buyer's organization, the seller shall direct them to work through the buyer's authorized procurement department personnel, or the seller shall be liable for any rework that may arise from requested changes from any buyer's unauthorized personnel.
- c. Any cost impact associated with these changes shall be considered the cost of doing business, unless specified & agreed upon prior to the execution of those changes. The seller has five (5) business days to request & come to agreement with the buyer on a reasonable equitable adjustment for any changes.
- d. No substitution of any materials, parts, or accessories may be made without the buyer's written prior approval. The buyer shall be notified of any significant changes in the seller's systems, processes, organization, and facilities / locations.
- e. The seller may request a deviation / waiver from the buyer in cases where there are changes required to produce the requested item, that the seller has determined to be in the buyer's best interest, e.g., tolerances, clarification of specs, drawings, or other technical information. These cases require the buyer's written approval prior to execution of the waiver.

3. Packaging, Shipping, Delivery & Inspection.

- a. The seller shall ensure that the product is packaged to prevent any handling & transportation damage during normal transportation. The packaging cost shall be considered as part of the cost of the product, i.e., it should not be broken out on the invoice (see 1.a.).
- b. The packaging shall include the following paperwork, information & labeling: packing list w/ P.O. number, P.O. ship to address, EPC part number, seller's part number, quantity, weight; bill of lading with all required customs & import / export documentation, taxes, tariffs, US HTS code (as required); certificate of conformity (CoC); material safety data sheet (MSDS); calibration certificates (as required); and country of origin / manufacturing.
- c. The shipment of the product shall be considered Delivered Duty Paid (DDP - Incoterms 2020). If alternate Incoterms are agreed upon prior to shipment which requires the buyer to pay for shipment from the seller's location, the buyer's preferred carrier as noted in the P.O. will be used. Any expedited shipping method & associated costs resulting from the seller's delay shall be borne by the seller unless mutually agreed upon, prior to shipment. If not mutually agreed upon prior to shipment, the seller shall be responsible for any additional shipping costs that may be incurred.
- d. Delivery shall not be earlier than five (5) business days prior or zero (0) business days later than the required delivery date on the P.O. without prior written approval. For any shipment received prior to five (5) business days without prior authorization, the buyer reserves the right to refuse delivery and the seller shall incur the costs for the return freight and re-delivery of the product per the P.O. required delivery date.
- e. Partial deliveries (less than full P.O. line quantity on a given date) shall only occur when specifically requested by the buyer. Any additional shipping costs associated with partial deliveries that were not specifically requested by buyer, shall be at seller's cost. Any over-delivery or future delivery received without prior approval shall be returned to the seller at their cost.
- f. The buyer shall visually inspect &/or functionally test (where applicable) the product within five (5) business days of delivery. If any damage or discrepancies are noted, the buyer shall have an additional five (5) business days to notify the seller and request an RMA or agree upon the most cost-effective resolution to the issue.

4. Invoicing, Payment, Net Terms.

- a. The seller shall invoice upon confirmed delivery to the buyer's delivery location specified on the P.O. The invoice shall include all relevant data from the P.O., specifically P.O. number, ship to / bill to address, EPC part numbers, seller's part numbers, quantity, price per unit, total cost per line item, tariffs, expedite fees (when applicable).
- b. EPC has tax exempt status and resale certificates for production material; no state tax sales shall be applied to the invoice. For international shipments, any /all applicable tariffs shall be applied per import / export regulations and on a separate invoice line.
- c. The seller shall submit all invoices in United States dollars (\$ USD). The buyer (EPC) shall pay all invoices in United States dollars (\$ USD). Invoices submitted in any currency other than USD shall be charged a 2% currency conversion fee that shall be subtracted from the total amount due on the seller's invoice.
- i. Exchange rate shall be determined by the current data (invoice date) from United States Federal Reserve Board (<https://www.federalreserve.gov/>).

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Phone:

Bank Name: Bank of America

Shareholder:

Fax:

Bank Acct No.: xxx 4739

Tax Official

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Bank Code: BOA

Headquarters:

Tax No.:

Swift/BIC Code:

Website: www.epcpower.com

Tax ID No.:

IBAN No.: Printed by SAP Business One

Select "Data", "Exchange Rates and International Data", "Foreign Exchange Rate".

d. Buyer payments to seller shall be processed weekly per the agreed upon P.O. terms outlined below. Any exceptions to these terms shall be mutually agreed upon prior to the seller's acceptance of the P.O.

i. All P.O.'s / invoices shall be paid on Net-60 terms or, ii. Per previously approved & agreed upon terms or specific milestone payment schedule.

e. Any seller requiring a downpayment at time of P.O. placement shall apply the downpayment prorated / spread evenly across deliveries when later invoiced at delivery & shall not apply the downpayment in whole to any single P.O. line, unless there is only one P.O. line.

f. All service invoices shall be dated within the same calendar month in which the services were provided.

5. Title to Goods and Warranties.

a. Title to Goods. The risk of loss and title to goods supplied by Seller to Buyer pursuant to the Work Scope shall pass upon delivery to Buyer which shall be Delivered Duty Paid (DDP - Incoterms 2020) unless alternate Incoterms are agreed upon prior to shipment.

b. Warranties. Seller warrants that goods shall be delivered free from defects in material, workmanship, and title and that the services shall be performed in a competent, diligent manner in accordance with any mutually agreed specifications, as identified in the specific PO.

i. The seller warrants that the services performed by it hereunder will be performed in a workmanship-like manner and in accordance with generally accepted professional standards. In the event the services do not conform, such nonconforming services shall be corrected by Seller.

ii. If goods or services do not meet the above-warranties, Buyer shall promptly notify Seller in writing prior to expiration of the warranty period. The seller shall (i) at its option, repair or replace defective goods and (ii) re-perform defective services. If despite the Seller's reasonable efforts, a non-conforming goods cannot be repaired or replaced, or non conforming services cannot be re-performed, Seller shall refund, or credit monies paid by Buyer for such nonconforming goods and services.

iii. The supplier shall pass through all original equipment or component manufacturer (OEM & OCM) warranties to the buyer and the buyer's customers. In addition, unless previously agreed in writing by the parties or included in stated warranty terms, seller shall provide a 90- business day warranty for all workmanship issues and a one-year warranty for electrical or mechanical components that are determined to be latent or early life failures without special cause, i.e. caused by a third party.

6. Counterfeit Parts.

a. The seller shall ensure that all components used in the product provided to the buyer originate from the original equipment or component manufacturer(OEM & OCM) or an OEM or OCM authorized or franchised (with buyer approval & certification testing) reseller or distributor.

b. The seller shall do whatever is necessary to ensure that no counterfeit materials are used in the product provided to the buyer. When any "gray market" parts are provided, seller must: x-ray, decapsulation, solderability test, die comparison, comparisons to a golden sample and date codes must be within last two years.

7. Confidentiality.

a. Confidential Information. All non-public, confidential, or proprietary information of each Party, including, but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts, or rebates, disclosed by either Party to the other, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated, or otherwise identified as "confidential," in connection with this P.O. is confidential, solely for the use of performing this P.O. and may not be disclosed or copied unless authorized by the disclosing Party in writing.

b. Upon the disclosing Party's request, the recipient of information shall promptly return all documents and other materials received from the other party. The recipient shall be entitled to seek injunctive relief for any violation of this Section. This Section shall not apply to information that is: (a) in the public domain; (b) known to the recipient at the time of disclosure; or (c) rightfully obtained by the recipient on a non-confidential basis from a third party. Each Party agrees that it shall not violate contractual owed agreements to third-parties in performing obligations under this P.O. This provision does not supersede any separate confidentiality or nondisclosure agreement signed by the parties.

c. Any violation of this term may result in termination of this P.O., overall business relationship, and/or legal action to recover damages from said breach of contract.

8. Insurance, Indemnity, Intellectual Property.

a. Insurance. Seller shall at its sole cost and expense procure, provide, and maintain in effect during its provisions of Goods or Services under this P.O. insurance coverage as follows: Commercial General Liability (\$2,000,000), Property Damage (\$2,000,000), and Workers Compensation (\$1,000,000). All required policies shall provide not less than a thirty (30) day notice of cancellation to Buyer. Upon request of Buyer, Seller shall furnish Buyer proof of all specified insurance by written evidence of insurance acceptable to Buyer.

b. Indemnification. Seller shall indemnify, defend and hold harmless Buyer and its officers, directors, employees, agents, affiliates and successors against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including attorneys' fees, fees and the costs of enforcing any right to indemnification in connection with this P.O. relating to or arising out of any claim of a third party in connection with the Goods or Services purchased from Seller or Seller's negligence, willful misconduct, or breach of the P.O..

c. Intellectual Property Infringement. Seller shall defend, indemnify, and hold Buyer free and harmless from and against any loss, cost, and expense that Buyer incurs because of a claim that any deliverables, materials, or equipment provided pursuant to this P.O. infringes on the intellectual property right of others.

9. Termination for Default, Termination for Convenience, Force Majeure.

a. The buyer shall reserve the right to terminate this P.O. for default if the seller does not meet the requirements defined in these Ts & Cs, or if the seller is unable to perform the required work to satisfy this P.O. or if the seller becomes insolvent.

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Shareholder:

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Headquarters:

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Swift/BIC Code:

Website: www.epcpower.com

Tax ID No.:

IBAN No.: Printed by SAP Business One

- b. The buyer shall reserve the right to terminate this P.O. for convenience if there is a significant shift in the buyer’s demand that no longer requires this material. In these circumstances, the buyer shall issue a “stop work order” to the seller. The seller shall use their best effort to minimize the inventory & cost impact on both the seller & the buyer.
- c. The buyer shall reserve the right to terminate this P.O. for convenience if there is a significant shift in the seller’s lead-time that results in failure to meet P.O. requirement dates. In these circumstances, the seller shall bear all cost of goods not previously provided to the buyer.
- d. If termination for convenience is executed, (i) Seller shall reimburse Buyer for all payments made by Buyer for Goods not delivered or Services not yet completed, or (ii) if outstanding payments are owed to Seller, Buyer shall pay Seller for all Goods or Services satisfactorily performed in accordance with this P.O. up to the date of termination. Notwithstanding the foregoing, the buyer shall not be liable for any material bought above & beyond the requested amount on the P.O., nor any material that can be used by the seller to satisfy other customers’ requirements.
- e. Neither buyer nor seller shall be held liable for failure to perform against this P.O. in the case of Force Majeure. Force Majeure includes but is not limited to acts of God, fire, floods, earthquakes, epidemics, terrorism, strikes, embargoes, unusually severe weather, political unrest, or revolt. In such cases, the impacted party shall notify the other party in writing within 10 calendar days of the event or when first aware of the event’s impact on performance (quality, cost, schedule) of this P.O. If the impact is non-recoverable in such a way that the P.O. no longer meets the buyer’s or seller’s needs, the P.O. shall be terminated for convenience.

10. Compliance with the Law, Employee Legal & Ethical Behavior.

- a. The seller is in compliance with and shall comply with all applicable laws, regulations, and ordinances. The seller has and shall maintain in effect all licenses, permissions, authorizations, consents, and permits that it needs to carry out its obligations under the P.O.
- b. Moreover, the buyer, the seller, and all employees of the companies involved with the execution of this P.O. confirm that they are committed to obeying all applicable local, state, national, and international laws and maintaining high, unwavering ethical standards and code of conduct. Those laws are and ethical standards are, but not limited to, the following items:
 - i. Equal Employment Opportunity, Sexual Harassment, ii. Civil Rights Act - Title VII; Fair Labor Standards Act, iii. Occupational Safety & Health Administration (OSHA, Cal/OSHA), iv. Department of Transportation - Hazardous Materials,
 - v. Human Trafficking & Slavery, Child Labor, Forced Labor, vi. Conflict Minerals Regulations; Embargoes & Sanctions (where applicable) vii. EU REACH SVHC (Substances of Very High Concern), viii. EU RoHS (Restrictions of Use of Hazardous Substances) Directive, ix. EU Waste Framework Directive (SCIP - Substances of Concern in Products), x. TSCA Restrictions (PBT - Persistent, Bio-accumulative, and Toxic)

11. Taxes. All taxes imposed on the Seller's income, imposed, or assessed by reason of this P.O. or its performance, including but not limited to sales or use taxes, shall be paid by Seller.

12. Dispute Resolution. In the event of a dispute between the Parties either Party may deliver to the other Party a notice of dispute with a detailed description of the underlying circumstances for the dispute. The dispute notice shall include a schedule of availability of the notifying Party's officers having a title of senior vice president or higher duly authorized to settle the dispute during the thirty (30) day period following delivery of the dispute notice. The recipient Party shall, within five (5) business days of receipt of the dispute notice, provide to the notifying Party a parallel schedule of availability of its officers having a title of senior vice president or higher duly authorized to settle the dispute. The senior officers of the Parties shall meet and confer as often as reasonably necessary during the thirty (30) day period in good faith negotiations to resolve the dispute. In the event the dispute is not resolved within the thirty (30) day period then either Party may pursue any legal remedy available to it.

13. Choice of Law. This P.O. shall be governed by, and construed in accordance with, the laws of the State of California, without regard to the conflict of law provisions thereof.

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