



Reel Power Industrial Inc. – Terms and Conditions of Seller

1. **Acceptance.** These Terms and Conditions of Seller (these “Terms”) are between Reel Power Industrial, Inc. d/b/a Reel-O-Matic or d/b/a Tulsa Power (“Reel Power”) and the company, firm or corporation identified on the attached quote, purchase order, or order confirmation (“Customer”, “You” or “Your”). The purpose of these Terms is to set forth the general terms and conditions that apply to all services performed by Reel Power for Customer (“Services”) and all goods sold by Reel Power to Customer (“Goods”). Any written or oral purchase order received from Customer by Reel Power shall be construed as a written acceptance of Reel Power’s offer to sell, and shall be filled in accordance with these Terms. Customer understands and acknowledges that Reel Power’s acceptance of any order is expressly conditioned on Customer’s assent to these Terms, and that these Terms shall prevail over any conflicting or different terms contained in Customer’s order.

2. **Quotations and Prices.** All quotations are made for prompt acceptance and any terms quoted therein are subject to change without notice after thirty (30) days from the date quoted unless specifically stated otherwise on the quotation. Any product, service capability or manufacturing capability, which may be available at the time a quotation is made, is subject to prior sale. Prices quoted are valid for thirty (30) days unless specifically stated otherwise on the quotation and are subject to change without notice. The price in effect at the time of shipment, including any escalation formula, shall apply, unless a valid quotation or written agreement to the contrary exists between Reel Power and Customer. All prices shown are in U.S. dollars and are F.O.B. Reel Power’s shipping point. Any documentation pertaining to traceability requirements for raw materials or products or documentation required for any routine or special processes must be identified by the Buyer at the time of the quotation (if any) or at the time of order placement. Reel Power reserves the right to impose a minimum billing charge on all sales, change orders or order supplements. Prices are subject to change without notice. In the event of an unanticipated and material increase in Reel Power’s costs for materials, labor, transportation or other components of Goods manufactured for or provided to Customer, Reel Power may, in its reasonable but sole discretion, impose a surcharge (“Surcharge”) on the quoted or confirmed price for such Goods, in an amount proportionate to such increase in costs. Any such Surcharge shall be communicated to Customer in writing with reasonable promptness following Reel Power’s discovery of the necessity of such Surcharge, but in any event prior to delivery of the subject Good(s). A Surcharge, once imposed, shall be added to the sale price of the subject Goods and shall be due and payable at the same time and in the same manner as the original sale price, as set forth in Section 3 hereof.

3. **Payment Terms.** All charges are due and payable in accordance with those terms set forth on Reel Power’s invoice. If Customer delays delivery from the agreed upon date, payment terms shall take effect on the date Reel Power is prepared to make shipment. The failure of Customer to make any payments required by these Terms shall be considered an event of default and, without limiting Reel Power’s remedies at law or under these Terms, shall entitle Reel Power to suspend or terminate the Services or Goods provided to Customer. Also, notwithstanding anything set forth below in Section 17, Customer’s failure to pay any invoice in full within the terms specified in such invoice will void all warranties, express or implied, with regard to any Goods or Services identified in or the subject of such invoice, until such time as the invoice has been paid in full. Any claims for shortages or deductions for erroneous charges must be made by Customer in writing within thirty (30) days after receipt of Goods or Services, or shall be deemed waived.

4. **Taxes.** In addition to all other amounts payable under these Terms, Customer shall pay all United States and foreign sales, use, value added, and other taxes and duties, of whatever nature, federal, state, provincial or otherwise (herein “Taxes”), which are levied or imposed by reason of these Terms or any of the Services or Goods purchased from Reel Power. Customer shall promptly pay Reel Power for any such Taxes paid by Reel Power on behalf of Customer or which are required to be collected and paid by Reel Power. Reel Power may bill Customer separately for such Taxes.

5. **Recoverable Costs & Expenses.** All costs advanced and expenses incurred related to the Services performed will be reimbursed by Customer to Reel Power. These may include, but are not be limited to, airfare, hotel accommodations, tolls, business meals, parking, miscellaneous travel expenses, faxes, courier charges, express mailing, mileage round-trip from Reel Power’s service location or shipping point, and all other out-of-pocket expenses.

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6. **Finance Charges, Collection Costs and Expenses.** All bills not paid within thirty (30) days of invoice due date will be assessed a late charge of 1.5% per month (18% *per annum*) on the unpaid balance until paid in full. In the event that Reel Power commences litigation, arbitration or other proceeding to collect amounts owed by Customer, Reel Power shall be entitled to recover the costs and expenses (including but not limited to its filing fees, witness fees and reasonable legal fees) incurred in pursuing such claims.

7. **Shipping Schedule and Delivery.** Shipment schedules are given as accurately as conditions permit and every effort will be made to make shipments as scheduled. However, Customer acknowledges and agrees that Reel Power will not be responsible for deviations in meeting shipping schedules nor any losses or damages to Customer (or any third party) occasioned by deviations in the shipping schedule, whether due to Acts of God, orders bearing priority ratings established pursuant to law, differences with workmen, local labor shortages, fire, flood, shortages or failure of raw materials, supplies, fuel, power or transportation, breakdown of equipment or any other causes beyond Reel Power's reasonable control. Quoted delivery dates are estimates only and in no event shall such dates be construed as or giving rise to an obligation that "time is of the essence." Whether of similar or dissimilar nature than those enumerated, Reel Power shall have additional time within which to perform as may be reasonably necessary under the circumstances and shall have the right to apportion its production among its customers in such a manner as it may consider to be equitable.

Reel Power reserves the right to furnish commercially equivalent or better substitutes for materials or to subcontract the Customer's order or portions thereof as Reel Power deems necessary. In no event shall Reel Power be liable for any consequential damages for labor resulting from failure or delay in shipment. If Customer requires drawings, procedures, standards or similar material for approval, shipping schedules will be calculated from the time such approvals are received by Reel Power, since shipping schedules are based on Reel Power having all required information and a firm order from Customer which is enterable into production. Any hold points, witness points, or need for inspection by Customer's representatives must be identified by Customer at the time of quotation (if any) and/or order placement in order that the effect on the prices or shipping schedules (if any) can be taken into account. Additional inspection or testing required by Customer which affects normal production sequence will be considered as extending the shipping dates accordingly.

8. **Transportation Charges, Allowances, and Claims.** All prices are F.O.B. Reel Power's plant or other designated shipping point. No freight is allowed unless stated in Reel Power's quotation (if any) or in a written contract which may exist between Reel Power and Customer at the time of shipment. If Reel Power's quotation or written contract states that all or a portion of freight is allowed, all prices are F.O.B. Reel Power's plant or other designated shipping point, with most economical surface transportation. Reel Power reserves the right to designate the common carrier and to ship in the manner it deems most economical and practical. Added costs due to special routing requested by the Customer are chargeable to the Customer. Under no circumstance may any freight allowance absorbed by Reel Power be deducted from the selling price. If the quoted price or contract includes transportation, no deduction will be made in lieu thereof, regardless of whether Customer accepts shipment at plant, warehouse, freight station, or otherwise supplies its own transportation. When sales are made from Reel Power's warehouse, Reel Power reserves the right to charge actual or pro-rated freight from Reel Power's principle point of manufacture to Reel Power's warehouse. Customer assumes risk of loss upon delivery to the carrier, regardless of who pays for shipping.

Reel Power endeavors to pack or prepare all shipments so that they will not break, rust, or deteriorate in transit, but does not guarantee against such damage. Crates and other packaging utilized for shipment by Reel Power or its agents are not intended to be utilized for storage or any use other than transit of the Goods to Customer. Unless requested in writing by the Customer, no shipments are insured by Reel Power against damage or loss in transit. Reel Power will place insurance as nearly as possible in accordance with Customer's written instructions, but in such case Reel Power acts only as agent between the insurance company and the Customer, and Reel Power assumes no liability whatsoever.

Any claims for shipping loss, breakage, or damage (obvious or concealed) are Customer's responsibility and should be made to the carrier. All claims regarding shortages must be made within thirty (30) days from receipt of shipment and must be accompanied by the packing list(s) covering the shipment.

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9. **Storage.** If the Goods are not shipped after notification has been made to Customer or its agent that such Goods are ready for shipping, for any reason beyond Reel Power's control, including Customer's failure to give shipping instructions, Reel Power may store the Goods at Customer's risk and expense. Customer shall pay all handling, transportation, storage and insurance cost at the prevailing commercial rates.

10. **Inspection and Rejection of Nonconforming Goods.** Customer shall inspect the Goods upon receipt ("Inspection Period"). Customer will be deemed to have accepted the Goods unless it notifies Reel Power in writing of any Nonconforming Goods during the Inspection Period and furnishes such written evidence or other documentation as reasonably required by Reel Power. "Nonconforming Goods" means only the following: (i) product shipped is different than identified in Customer's purchase order; (ii) product's label or packaging incorrectly identifies its contents; or (iii) product arrives in damaged condition. If Nonconforming Goods arrives in damaged condition, Customer shall immediately notify the driver delivering such Goods, and shall document such damage (including photographs) and otherwise fully cooperate with and assist Reel Power in its effort to recover from the carrier for such damage. If Customer timely and with specificity notifies Reel Power of any Nonconforming Goods, Reel Power shall, in its sole discretion, (i) replace such Nonconforming Goods with conforming Goods, or (ii) credit or refund the Price for such Nonconforming Goods, together with any reasonable shipping and handling expenses incurred by Customer in connection therewith. Customer shall ship, at its expense and risk of loss, the Nonconforming Goods to Reel Power's delivery point. If Reel Power exercises its option to replace Nonconforming Goods, Reel Power shall, after receiving Customer's shipment of Nonconforming Goods, ship to Customer, at Customer's expense and risk of loss, the replaced Goods to the delivery point. Customer acknowledges and agrees that the remedies set forth in this Section 10 are Customer's exclusive remedies for the delivery of Nonconforming Goods.

11. **Credit Approval.** Shipments, deliveries and performance of work shall at all times be subject to the approval of Reel Power. Reel Power may at any time decline to make any shipment or delivery or perform any work except upon receipt of payment or security or upon terms and conditions satisfactory to Reel Power.

12. **Cancellation.** Orders are not subject to cancellation or change in specifications, shipping schedules or other conditions originally agreed upon without Reel Power's written consent, which shall be in Reel Power's sole discretion and then only upon Customer's agreement to compensate Reel Power for all losses caused by such cancellation or changes.

13. **Returns.** Prior written authorization from Reel Power is required before returning Goods. In the event Reel Power authorized the return of Goods, all Goods must be returned prepaid to Reel Power's designated location, unless otherwise instructed when the authorization is granted. Reel Power reserves the right to deny authorization to return any items, in its sole discretion. Reel Power reserves the right to refuse unauthorized returns. All returned Goods are subject to a restocking fee in an amount not less than twenty-five percent (25%) of the sales price of such Goods. All claims on returned Goods must be made within thirty (30) days from shipment and accompanied by the receipt on which original delivery was made. Electrical parts/components are not returnable.

14. **Force Majeure.** Reel Power shall not be liable in any way for any default or delay due to contingencies beyond its control, that prevents or interferes with Reel Power making delivery of Goods or performing Services on the date specified, including but not limited to war, epidemic, pandemic, or restraints affecting shipping, war, war restrictions, rationing of fuel, strikes, lockouts, fires, bombings, acts of terrorism, accidents, floods, droughts and any other event or circumstance beyond the reasonable control of Reel Power.



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15. **Third-Party Reel Powers.** Reel Power may from time to time refer Customer to third-party vendors for specific goods or services. These vendors are not Reel Power's agents, and it is Customer's responsibility to select vendors and negotiate the terms and conditions of Customer's business with them. Customer agrees that Reel Power will not be responsible for any loss or damage arising out of or in connection with goods or services provided by such third-party vendors.

16. **Non-Hire.** During the time that Reel Power is providing Goods or Services to Customer, and for a period of one (1) year thereafter, Customer and its affiliates will not (a) employ or hire, nor engage as a consultant, or subcontractor, any current employee of Reel Power or any of its affiliates, (b) directly or indirectly solicit any current employee of Reel Power or any of its affiliates to become an employee, consultant or subcontractor of Customer or any of its affiliates, or (c) recommend or suggest to any other person or entity that it so solicit, employ, hire, or engage any such employee. In the event of any breach of this provision, Reel Power shall be entitled to be paid, on demand, as liquidated damages and not a penalty, an amount equal to the annualized base salary and other regular benefits or remuneration being paid to such employee as of the date of the termination of his or her employment with Reel Power or its affiliate. It is agreed that the amount of damages, which would be suffered because of a breach of this provision, would be difficult or incapable of precise measure and that such payment constitutes reasonable liquidated damages for any such breach.

17. **Limited Warranty.** Except as otherwise expressly provided by Reel Power in writing, the Goods ordered and agreed to be furnished by Reel Power are warranted against defects in material or workmanship for a period of one year following the date of shipment. Reel Power's obligation under this warranty is limited to repair or replacement, at Reel Power's option, of the defective Goods at Reel Power's factory (point of shipment) and does not extend to Goods other than those manufactured by Reel Power. This warranty shall not apply to any Goods which have been subject to misuse, negligence, accident, or attempted or unauthorized repair or modification or are considered by Reel Power to be damaged as a result of normal "wear and tear". Reel Power may provide technical information or advice to assist Customer in the proper application and utilization of Goods, in which case Reel Power disclaims all warranties, express or implied, including without limitation implied warranties of merchantability or fitness for a particular purpose, or compliance with governmental regulations to which Customer is subject.

Reel Power warrants that for a period of one year beginning on the date of invoice, service labor by Reel Power technicians shall be free from defects in workmanship. This warranty does not cover damage due to external causes including without limitation accident, abuse, misuse, problems with electrical power, servicing not authorized by Reel Power, usage not in accordance with product instructions, failure to perform required preventive maintenance and problems caused by use of parts and components not supplied by Reel Power. Reel Power's responsibility is limited to repair or replacement at Reel Power's option, at its designated facility. This warranty does not cover replacement or repair of materials due to normal "wear and tear."

other than as specifically set forth above in this section 17, Reel Power makes no express or implied warranties, including, without limitation, ANY implied warranties of merchantability or fitness for a particular purpose, on goods obtained from Reel Power, and Reel Power disclaims all such warranties. Furthermore, no personnel of Reel Power are authorized to make warranties of any nature, verbally or otherwise. any additional warranties must be made in writing and signed by authorized personnel of Reel Power in order to be binding upon Reel Power.

18. **Limitation of liability.** In no event shall reel power be liable for any special, indirect, exemplary, incidental, consequential, or punitive losses or damages (including, without limitation, business interruption, lost revenue or profits, fees or fines), even if reel power has been advised or made aware of the possibility of any such losses or damages and regardless of whether the claim is based on contract, tort, strict liability, or other theory of liability. reel power's cumulative liability for all losses and damages under these terms (including, without limitation, damages arising under a theory of contract, tort (including negligence), strict liability, express or implied warranties, etc.) shall not exceed the purchase price paid by customer for the relevant goods or services.

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19. **Indemnification.** Customer shall, immediately upon demand and to the fullest extent permitted by law, indemnify and hold harmless Reel Power, its directors, officers, employees, representatives and agents, from and against any and all liability, liens, debts, claims, demands, losses, damages, expenses, fees (including attorneys' fees), costs, fines, penalties, suits, proceedings, actions and judgments arising out of or in any way connected with Reel Power's performance in selling, repairing, evaluating, starting up, testing, and providing on-going maintenance or repairs either pursuant to request or maintenance agreement, whether brought against Customer or Reel Power. Reel Power reserves the right, at its own expense, to assume the exclusive defense and control of any matter subject to indemnification by Customer. Furthermore, Customer agrees to hold Reel Power harmless from any and all losses, claims, or damages arising from subsurface damage, surface damage caused by subsurface damage, loss of hydrocarbons and from pollution, regardless of whether such damages, losses, or claims were caused by the negligence of Reel Power, it being the intent of the parties that this indemnity shall apply to property of Customer or to that of any third party.

20. **Governing Law and Jurisdiction.** These Terms shall be construed and enforced in accordance with the laws of the State of Oklahoma, without regard to its conflicts of law provisions. The United Nations Convention on the International Sale of Goods shall not apply to these Terms. Any and all claims under these Terms shall be brought and filed in the state or federal courts of the State of Oklahoma located in Oklahoma City. Customer agrees to voluntarily subject itself and its affiliates to the jurisdiction of any such courts and waives any defense or objection to the exercise of jurisdiction by any such court.

21. **Assignment and Transfer.** These Terms may not be assigned or transferred by Customer without Reel Power's prior written consent, and shall be binding upon and inure to the benefit of Reel Power and Customer.

22. **Notices.** Any written notice or other written communication to a party under these Terms shall be either delivered personally, sent by fax or mailed to the party's address or fax number set forth on an invoice.

23. **Waiver of Failure to Act.** The waiver or failure of either party to exercise in any respect any right afforded under these Terms shall not be deemed a waiver of any further right hereunder.

24. **Third Party Beneficiaries.** These Terms do not create any rights in any third parties, including suppliers and customers of a party. Nor do these Terms create any obligations owed by a party to any such third parties.

25. **Security Interest.** Customer hereby grants Reel Power, and Reel Power will retain, a purchase money security interest and lien on any and all of Customer's right, title and interest in any Goods sold hereunder as well as any future Goods sold hereafter by Reel Power to Customer, wherever located, and all replacements or proceeds of the same, until the invoice for the applicable Goods is paid in full, including any late charges and costs of collection. Customer consents to Reel Power's use of these Terms, as well as product invoices, as financing statements for perfecting and protecting this security interest and appoints Reel Power as Customer's agent for any necessary signatures on such filings and hereby authorizes Reel Power, at Customer's expense, to take such action as may be necessary to perfect and protect Reel Power's security interest, including the filing and/or recording of Uniform Commercial Code Financing Statements, and grants Reel Power the right to execute Customer's name thereto. Customer agrees to pay or reimburse Reel Power for any searches, filings, recording or stamp fees or taxes arising from the filing or recording of any such instrument or statement. In the event of a default by Customer of any of its payment obligations hereunder, Reel Power shall be entitled to any of the rights and remedies provided by law. Customer will not change its name, principal place of business, or state of incorporation without Reel Power's prior written consent, and Customer will

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notify Reel Power in writing of any change in the location of any other place of business prior to making such change, and of the acquisition of any new place of business prior to such acquisition. Customer shall at its expense protect and defend Reel Power's rights against all persons claiming against or through Customer at all times keeping the Goods sold hereunder free from any legal process or encumbrance whatsoever, including, but not limited to liens, attachments, levies and executions, and shall give Reel Power immediate written notice thereof and shall indemnify and hold Reel Power harmless from any claims, demands or losses caused thereby.

26. **Waiver of Subrogation.** Customer and all parties claiming to be related to or asserting the rights of Customer hereby agree to release and discharge Reel Power from all claims and or liabilities arising from or caused by any casualty or hazard which may arise out of or in connection with activities associated with Reel Power's work on Goods or premises, and Customer agrees to waive any right of subrogation which might otherwise exist in or accrue to any person on account thereof and further agrees to provide evidence of such waiver as may be required by Customers' insurance policies or as requested by Reel Power.

27. **Acknowledgment.** Customer acknowledges that it engages in the conduct of trade or commerce and is a business entity. Customer acknowledges that this transaction is made in a business context and is not for personal, family or household purposes or for personal goods or services sold or delivered to a consumer.

28. **Entire Agreement, Modification.** These Terms and the applicable quote or order confirmation constitute the entire agreement between Reel Power and Customer with respect to the subject matter thereof, and supersede all previous communications and negotiations whether written or oral. No modification of these Terms shall be binding unless it is in writing and executed by authorized representatives of Reel Power and Customer.

29. **Tariff Impact Disclaimer.** The pricing provided in this quote is based on current market conditions and applicable tariffs at the time of issuance. Due to potential changes in government-imposed tariffs, duties, or trade regulations, the final price of the equipment may be subject to adjustment. In the event of any tariff changes affecting the cost of materials, components, or import/export fees, Reel Power Industrial reserves the right to modify price accordingly. Any such adjustments will be communicated prior to order confirmation or shipment.

FAT Details:

- *Reel Power will conduct FAT testing at its facility in Oklahoma City, OK and may be witnessed by personnel from customer as deemed necessary by the customer.*
- *During FAT testing, Reel Power will attempt to replicate the customer's environment as closely as possible, but may be limited by operating conditions (e.g., fresh material coming off extruder, operating environment, footprint/layout, etc.,)*
- *During testing using customer supplied material, Reel Power cannot fully simulate the real-world test at our facility and cannot guarantee level wound coils with product that has taken a set to coil and reel diameters.*
- *Reel Power will generate and provide FAT documentation to customer for review at run off.*
- *Customer to provide Reel Power with enough test sample material to properly test the line during the FAT procedure and as required prior to the FAT procedure for in-house testing at the Reel Power facility in Oklahoma City. Your salesperson will provide required quantities of material to be provided for testing.*

Note: Utilizing the PPI Index "Goods Less Food & Energy" January 2025 to January 2026, utilizing the chart from the U. S. Bureau of labor Statistics reads 3.2% Jan 1, 2025. If this cost metric increases substantially (above 6% YOY) at the time of manufacture (60 days before ship date), then Reel Power Industrial reserves the right to pass onto the customer up to a maximum of an additional 3% increase based on the PPI Index listed above. Reel Power Sales will communicate to you at least 30 days before invoking this surcharge if it is necessary.

Terms and Conditions, March 2025

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