

Solar® Turbines

A Caterpillar Company

Solar Turbines Incorporated

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June 28, 2011

Subject: Annual Supplier Policy Letter

Dear Valued Supplier:

Integrity, Excellence, Teamwork, and Commitment are Solar's foundational values. As a critical part of Solar's value stream network, we expect our suppliers to ensure that their behaviors and actions are in alignment with these values and that they understand and are in compliance with our supplier-related policies. Please review the following bullet points. If you have any questions, please contact your Solar Buyer.

- Display of Solar's Proprietary Information:
 - Disclosure of Solar's Proprietary Information could substantially injure Solar's business, impair our investments and goodwill and jeopardize our relationships with our suppliers and customers. For this reason, Solar prohibits our suppliers from displaying our Proprietary Information in the form of Solar's logo and/or physical parts, drawings, media, photographs, etc., at any time and for any purpose, without the express written permission of Solar. This policy applies to supplier websites, displays within supplier facilities, displays at trade shows, sales or presentation materials, etc.
 - If you are currently displaying Solar Proprietary Information and have not obtained Solar's written permission to do so, please remove any and all of the items in question from display immediately until such permission has been obtained. Solar reserves the right to deny such permission and to have any such items returned to us or destroyed.
 - Failure to comply with this policy may result in loss of Solar business and/or legal action. If you have any questions, please contact your Solar Buyer.
- Exceptions to Solar Drawings and Specifications:
 - Suppliers are required to submit an RTA (Request for Technical Authorization) to Solar for our approval of any exceptions that the supplier wishes to take to any Solar engineering or manufacturing drawing or to any Solar specification. This requirement applies regardless of whether the requested exception has been driven by manufacturing defects or errors on the part of the supplier, non-availability of specified materials in the market, drawing or specification errors, or for any other reason whatsoever. There are no exceptions to this requirement. If you have any questions or concerns, please contact your Solar Buyer or Supplier Technical Engineer immediately.
 - Failure to comply with this policy may result in loss of Solar business and/or legal action. If you have any questions, please contact your Solar Buyer.
- Authorized Supply Chain Representative:
 - Your Solar Buyer is Solar's Supply Chain representative and is the only person authorized to make or revise financial commitments to suppliers on behalf of Solar. Any and all such commitments must be authorized, in writing, either in the form of a formal purchase order or other written authorization, by an authorized Solar Buyer. Any financial commitments made by any other person or persons at Solar that are not in accordance with this policy will be considered null and void.

- Meetings and Visits:
 - Suppliers must always contact the Solar Buyer responsible for their account when requesting and arranging meetings or dates for plant visitation. This policy also applies when coordinating visits from Solar's employees to a supplier's facility.
- Communications:
 - All communications between Solar employees and suppliers are to be conducted in a professional manner and for business purposes only. Solar Turbines does not tolerate or accept unnecessary, non-business related, or otherwise inappropriate communications.
- Respect and Non-Harassment:
 - Solar builds and maintains a productive, motivated work force by treating all employees fairly and equitably without regard to their race, religion, national origin, color, gender, sexual orientation, age, and/or physical or mental disability. The Company supports and obeys laws that prohibit discrimination everywhere we do business.
 - Solar insists on a work environment free of intimidation and harassment of any kind. This zero-tolerance policy extends, at all times, to our suppliers in their dealings with Solar.
 - Failure to comply with this policy may result in loss of Solar business and/or legal action.
- Gratuities:
 - Though Solar policy specifies that our personnel (or persons representing Solar) may accept advertising items of nominal value, we prefer that you forgo providing these gifts altogether. We believe this approach serves the best interests of Solar Turbines, its suppliers and employees in maintaining the highest standards of ethical business behavior and allows our suppliers to avoid unnecessary costs.

If you have any questions or concerns regarding the above, please contact your Solar Buyer.

Thank you for your support,

A handwritten signature in cursive script that reads "Peter Heavey".

Peter Heavey
Director, Global Supply Chain Management
Solar Turbines Incorporated