

IPS CUSTOM AUTOMATION COMMERCIAL STANDARD TERMS AND CONDITIONS FOR PURCHASE ORDERS (GOODS AND SERVICES)

SECTION 1

Purpose. These Commercial Purchase Order Standard Terms and Conditions establish the contractual requirements governing the purchase of commercial products and commercial services by IPS Custom Automation ("Buyer"). These Terms and Conditions may apply to Purchase Orders issued in support of commercial business or United States Government Prime Contracts and higher-tier subcontracts. Together with the Purchase Order and all documents expressly incorporated by reference, including IPS-GF-001 when identified in the Purchase Order, they constitute the complete agreement between Buyer and Seller.

When expressly identified in the Purchase Order, IPS-GF-001 – Supplemental Government Terms and Conditions for Purchase Orders and Subcontracts is incorporated into and forms part of the Purchase Order. Government clauses and flow-down requirements shall apply only as provided in IPS-GF-001 and the applicable Purchase Order, and only to the extent required by applicable law or regulation, the applicable Prime Contract or higher-tier subcontract, or the Purchase Order.

These Commercial Standard Terms and Conditions apply to every Purchase Order issued by Buyer unless the Purchase Order expressly provides otherwise in writing.

SECTION 2

Scope. These Terms and Conditions apply to every Purchase Order issued by Buyer unless otherwise expressly agreed to in a written agreement signed by authorized representatives of both parties. They govern the purchase of all goods, products, materials, equipment, software, deliverables, and services furnished by the seller identified in the applicable Purchase Order ("Seller").

These Terms and Conditions, together with the applicable Purchase Order and all documents expressly incorporated by reference, including any specifications, drawings, Statements of Work, exhibits, schedules, appendices, or other Contract Documents, constitute the complete agreement between Buyer and Seller with respect to the subject matter of the Purchase Order.

SECTION 3

Acceptance. Seller's commencement of performance, shipment of Goods, provision of Services, acknowledgment of the Purchase Order, or acceptance of any payment under the Purchase Order constitutes Seller's acceptance of these Terms and Conditions. Any additional, different, or conflicting terms proposed by Seller, whether contained in quotations, acknowledgments, invoices, or other documents, are expressly rejected and shall have no force or effect unless specifically accepted in writing by an authorized representative of Buyer.

In the event of any conflict between the Purchase Order and any document incorporated by reference, the order of precedence established in these Terms and Conditions shall govern unless the Purchase Order expressly provides otherwise.

SECTION 4 – DEFINITIONS

"Agreement" means the legally binding contract between Buyer and Seller consisting of the Purchase Order, these Standard Terms and Conditions, all attachments, exhibits, specifications, drawings, statements of work, quality requirements, technical data, supplemental provisions, , and all amendments, modifications, or Change Orders issued in writing by Buyer.

"Applicable Laws" means all applicable international, federal, state, provincial, local, and foreign statutes, laws, regulations, ordinances, Executive Orders, directives, codes, rules, permits, licenses, judicial decisions, and governmental requirements applicable to the manufacture, sale, delivery, export, import, handling, storage, transportation, or performance of the Goods or Services.

"Buyer" means IPS Custom Automation, together with its successors, permitted assigns, and authorized representatives.

"Contract Documents" means the Purchase Order, these Standard Terms and Conditions, all appendices, exhibits, attachments, schedules, Statements of Work ("SOWs"), specifications, drawings, engineering requirements, change orders, amendments, modifications, and any other documents expressly incorporated by reference into the Purchase Order. The Contract Documents constitute the entire agreement between Buyer and Seller with respect to the subject matter of the Purchase Order. Any terms or conditions contained in Seller's quotations, acknowledgments, invoices, or other documents that are inconsistent with or in addition to the Contract Documents shall have no force or effect unless expressly accepted in writing by an authorized representative of Buyer.

"Deliverables" means all Goods, Services, work product, reports, drawings, specifications, designs, calculations, software, firmware, source code (if required by the Purchase Order), technical data, documentation, manuals, certifications, test reports, inspection records, training materials, prototypes, samples, and any other tangible or intangible items that Seller is required to furnish, produce, or deliver under the Purchase Order or the Contract Documents. Deliverables include all items developed, prepared, or produced specifically for Buyer under the Purchase Order, whether complete or in progress, and regardless of the medium in which such items are recorded or stored.

"Goods" means all products, materials, supplies, equipment, parts, components, assemblies, software furnished as a deliverable, documentation, reports, technical data, and all other tangible or intangible items required to be furnished by Seller under the Purchase Order, including associated packaging, labeling, manuals, certifications, warranties, and other items required by the Contract Documents.

"Intellectual Property" or "IP" means all intellectual property rights recognized under applicable law, whether registered or unregistered, including patents, patent applications, inventions, discoveries, improvements, industrial designs, copyrights, moral rights, trademarks, service marks, trade names, logos, trade dress, trade secrets, confidential and proprietary information, know-how, processes, methods, techniques, algorithms, software, firmware, source code, object code, databases, mask works, domain names, technical data, drawings, specifications, documentation, and all other proprietary rights and intangible assets, together with all registrations, applications, renewals, extensions, and rights to enforce or protect such rights.

"Prime Contract" means the contract, agreement, purchase order, subcontract, or other contractual instrument between Buyer, Buyer's customer, or any higher-tier contractor and the United States Government, or between successive tiers of contractors, under which this Purchase Order is issued or in support of which the Goods, Services, Deliverables, or Work are procured. References to the Prime Contract include all applicable modifications, amendments, options, extensions, and incorporated requirements.

"Purchase Order" or "PO" means the written or electronic order issued by Buyer for the purchase of Goods and/or Services, including all schedules, exhibits, attachments, specifications, drawings, Statements of Work, amendments, modifications, and other Contract Documents incorporated by reference.

"Seller" means the individual, partnership, corporation, limited liability company, or other legal entity identified in the applicable Purchase Order, including its approved successors and permitted assigns.

"Services" means all labor, engineering, design, consulting, manufacturing, fabrication, assembly, inspection, testing, installation, repair, maintenance, technical support, logistics, training, professional services, and other work Seller is required to perform under the Purchase Order.

"Work" means all Goods, Services, Deliverables, labor, materials, equipment, documentation, and other obligations to be furnished or performed by Seller in accordance with the Purchase Order and the Contract Documents.

SECTION 5 – PRICING AND PAYMENT

5.1 Pricing. The prices stated in the Purchase Order are firm and fixed and include all costs necessary for Seller's complete performance of the Purchase Order, including labor, materials, equipment, packaging, handling, overhead, and all other applicable charges, unless otherwise expressly stated in the Purchase Order. Seller shall not increase prices or impose additional charges without Buyer's prior written consent.

5.2 Invoices. Seller shall submit a complete and accurate invoice following shipment of Goods or completion of Services, unless otherwise specified in the Purchase Order. Each invoice shall include, at a minimum:

- (a) Purchase Order number;
- (b) Invoice number and invoice date;
- (c) Seller's legal name and remittance address;
- (d) Description of the Goods and/or Services provided;
- (e) Quantity, unit price, and total amount due;
- (f) Applicable taxes, if separately stated; and
- (g) Any other information reasonably requested by Buyer to process payment.

Invoices that are incomplete, inaccurate, or submitted prematurely may be returned to Seller for correction, and payment terms shall commence upon Buyer's receipt of a corrected invoice.

5.3 Payment Terms. Unless otherwise specified in the Purchase Order, Buyer shall pay all undisputed amounts within **thirty (30) calendar days** after the later of:

- (a) Buyer's receipt of a correct and complete invoice; or
- (b) Buyer's acceptance of the applicable Goods and/or Services.

Payment shall not constitute acceptance of Goods or Services, nor shall it waive any warranty, claim, or other right or remedy available to Buyer under the Agreement or applicable law.

5.4 Disputed Invoices. Buyer may withhold payment of any disputed portion of an invoice pending resolution of the dispute. Buyer shall notify Seller of the basis for the dispute within a reasonable time after receipt of the invoice. Seller shall continue performance of the Purchase Order during the resolution of any payment dispute unless otherwise agreed in writing.

5.5 Setoff. Buyer may deduct or set off against any amounts due to Seller any amounts owed by Seller to Buyer under the Purchase Order or any other agreement between the Parties, to the extent permitted by applicable law.

5.6 Taxes. Unless otherwise stated in the Purchase Order, the Purchase Order price includes all applicable federal, state, provincial, and local taxes, duties, fees, and other

governmental charges, except those taxes from which Buyer has provided a valid exemption certificate or which Buyer is legally required to pay directly.

5.7 Currency. Unless otherwise specified in the Purchase Order, all prices and payments shall be stated and made in United States Dollars (USD).

5.8 No Advance Payment. Buyer shall have no obligation to make advance payments, deposits, milestone payments, or progress payments unless expressly stated in the Purchase Order or otherwise agreed to in writing by Buyer.

5.9 Electronic Payment. Buyer may satisfy its payment obligations by electronic funds transfer (EFT), automated clearing house (ACH), wire transfer, check, or any other commercially reasonable method of payment designated by Buyer.

5.10 Payment Does Not Constitute Acceptance. Payment by Buyer shall not constitute acceptance of Goods or Services, shall not waive any warranty or other contractual obligation of Seller, and shall not impair Buyer's right to inspect, reject, revoke acceptance of, or seek remedies for nonconforming Goods or Services.

SECTION 6 – CHANGES

6.1 Changes by Buyer. Buyer may, at any time, by written notice or written change order, direct changes within the general scope of the Purchase Order, including changes to the specifications, drawings, designs, quantities, methods of shipment or packaging, place of delivery, delivery schedule, or scope of the Goods or Services.

6.2 Seller's Obligation to Proceed. Unless otherwise directed in writing by Buyer, Seller shall promptly proceed with the performance of the Purchase Order, as changed, pending resolution of any request for an equitable adjustment. Seller shall not suspend or delay performance solely because a requested adjustment has not been finalized.

6.3 Equitable Adjustment. If a change directed by Buyer materially increases or decreases Seller's cost of performance or the time required for performance, Seller may request an equitable adjustment to the Purchase Order price and/or delivery schedule.

Any such request shall:

- (a) be submitted in writing to Buyer within **ten (10) business days** after Seller's receipt of the change;
- (b) identify the specific change giving rise to the request;
- (c) include sufficient documentation to substantiate the requested adjustment; and
- (d) certify that the requested adjustment is limited to the direct impact of the authorized change.

Failure to submit a timely written request shall constitute Seller's waiver of any claim for additional compensation or schedule adjustment arising from the change.

6.4 Written Authorization Required. Seller shall not implement any change affecting the Purchase Order, including changes to design, materials, manufacturing processes,

sources of supply, manufacturing location, specifications, testing methods, delivery schedule, or price, without Buyer's prior written approval.

6.5 No Constructive Changes. Only written change orders or written amendments executed by an authorized representative of Buyer shall modify the Purchase Order. Oral instructions, field directives, informal communications, course of dealing, or course of performance shall not constitute authorization for additional compensation, schedule extensions, or modifications to the Purchase Order.

6.6 Seller-Initiated Changes. Seller shall promptly notify Buyer in writing of any proposed change that may affect the form, fit, function, performance, reliability, quality, regulatory compliance, interchangeability, safety, or delivery of the Goods or Services. No such change shall be implemented without Buyer's prior written approval.

6.7 Continuity of Performance. Pending resolution of any proposed change or equitable adjustment, Seller shall continue diligent performance of the Purchase Order and shall take all reasonable steps to minimize cost, schedule, and operational impacts.

6.8 Documentation. Buyer may require Seller to provide cost breakdowns, schedules, engineering analyses, quotations, technical documentation, or other information reasonably necessary to evaluate any requested or proposed change.

6.9 Reservation of Rights. Nothing in this Section shall limit Buyer's rights under the Purchase Order, these Standard Terms and Conditions, or applicable law, nor shall it relieve Seller of its obligation to perform in accordance with the Purchase Order unless otherwise agreed in writing by Buyer.

SECTION 7 – SHIPPING, PACKAGING, MARKING, AND DELIVERY

7.1 Time is of the essence. Seller shall deliver the Goods and perform the Services in strict accordance with the delivery dates, schedules, quantities, and locations specified in the Purchase Order. Seller shall promptly notify Buyer in writing of any actual or anticipated delay and shall provide the reason for the delay, its anticipated duration, and Seller's proposed corrective actions. Such notice shall not relieve Seller of its obligations or modify the delivery schedule unless Buyer expressly agrees in writing.

7.2 Shipping Instructions. Seller shall ship Goods in accordance with the shipping instructions identified in the Purchase Order. Unless otherwise specified, Seller shall use commercially reasonable transportation methods that ensure timely, safe, and cost-effective delivery. Seller shall not make partial shipments or early deliveries without Buyer's prior written approval.

7.3 Packaging. Seller shall package, preserve, and protect all Goods in accordance with commercially accepted industry standards and good commercial practices to prevent damage, deterioration, contamination, corrosion, or loss during handling, storage, and transportation. Packaging shall be appropriate for the nature of the Goods and the anticipated shipping and storage conditions.

7.4 Marking and Identification. Each shipment, package, container, and packing slip shall be clearly marked with all information reasonably necessary to identify the shipment, including, as applicable:

- (a) Purchase Order number;
- (b) Part number and revision level;
- (c) Description of the Goods;
- (d) Quantity shipped;
- (e) Lot number, batch number, or serial number, where applicable;
- (f) Manufacturer's name, when applicable; and
- (g) Country of origin, if required by applicable law or the Purchase Order.

Seller shall comply with all marking, labeling, and identification requirements specified in the Purchase Order, applicable specifications, or applicable law.

7.5 Packing List. Each shipment shall include a packing list identifying the Purchase Order number, line item number, description of the Goods, quantities shipped, and any additional information reasonably required by Buyer.

7.6 Risk of Loss and Title. Unless otherwise specified in the Purchase Order, risk of loss or damage to the Goods shall remain with Seller until the Goods have been delivered to and accepted by Buyer at the delivery location specified in the Purchase Order. Title to the Goods shall pass to Buyer upon delivery or payment, whichever occurs first, provided that passage of title shall not constitute Buyer's acceptance of the Goods.

7.7 Inspection Upon Receipt. Buyer reserves the right to inspect all Goods upon receipt or within a reasonable period thereafter. Receipt or payment for Goods shall not constitute acceptance of the Goods or a waiver of Buyer's right to reject nonconforming Goods.

7.8 Nonconforming Shipments. Buyer may reject any shipment that fails to comply with the Purchase Order, including shipments that are late, incomplete, improperly packaged, improperly identified, damaged, or otherwise nonconforming. Seller shall promptly replace, repair, or correct any nonconforming shipment at Seller's sole expense, including all transportation, handling, and replacement costs.

7.9 Hazardous Materials. If Goods include hazardous materials or substances regulated by applicable law, Seller shall properly package, label, handle, and transport such materials in accordance with all applicable laws and regulations and shall provide all required safety information, warnings, and Safety Data Sheets (SDS).

7.10 Quality and Preservation. Seller shall maintain appropriate preservation, storage, handling, and transportation controls to ensure that the quality, functionality, and conformity of the Goods are maintained until delivery to Buyer.

7.11 Delivery Documentation. Seller shall provide all documentation required by the Purchase Order, including, as applicable, certificates of conformity, inspection records,

test reports, operating manuals, maintenance instructions, warranty documentation, and any other documents necessary for Buyer's acceptance or use of the Goods.

7.12 Additional Costs. Seller shall be responsible for all additional freight, handling, storage, expediting, replacement, or other costs resulting from Seller's failure to comply with the delivery requirements of the Purchase Order, unless such failure is caused solely by Buyer or an excusable event under the Force Majeure provisions of this Agreement. Seller shall comply with the packaging, preservation, handling, identification, and product conformity requirements set forth in the applicable specifications, Statement of Work, and technical requirements expressly incorporated into the Purchase Order.

SECTION 8 – INSPECTION, ACCEPTANCE, AND REJECTION

8.1 Right of Inspection. Buyer shall have the right to inspect, examine, test, and verify all Goods and Services at any reasonable time before or after delivery to determine compliance with the Purchase Order and the Contract Documents. Seller shall provide reasonable access, facilities, documentation, and assistance necessary to facilitate such inspection or testing.

8.2 Inspection Not Acceptance. Buyer's inspection, testing, payment, use, or failure to inspect the Goods or Services shall not constitute acceptance, waive any nonconformity, or limit any warranty or other rights and remedies available to Buyer under the Purchase Order, these Standard Terms and Conditions, or applicable law.

8.3 Acceptance. Acceptance shall occur only after Buyer has had a reasonable opportunity to inspect the Goods or Services and determines that they conform to the requirements of the Purchase Order and the Contract Documents. Buyer may accept all or part of any shipment or performance without waiving its rights with respect to any remaining nonconforming Goods or Services.

8.4 Rejection of Nonconforming Goods or Services. Buyer may reject any Goods or Services that fail to conform to the Purchase Order or the Contract Documents, including Goods or Services that are defective, damaged, incomplete, improperly packaged or labeled, delivered in incorrect quantities, delivered late without Buyer's written approval, or otherwise fail to meet applicable specifications, drawings, quality requirements, or performance standards.

8.5 Buyer's Remedies. At Buyer's sole option, Seller shall promptly, and at Seller's sole expense:

- (a) repair or replace the nonconforming Goods;
- (b) reperform the nonconforming Services;
- (c) correct any deficiencies; or
- (d) refund all amounts paid for the nonconforming Goods or Services.

Seller shall also reimburse Buyer for all reasonable costs incurred as a result of the nonconformity, including inspection, testing, transportation, handling, storage, removal, replacement, reinstallation, administrative costs, and any other direct costs reasonably incurred by Buyer.

8.6 Return of Rejected Goods. Rejected Goods may be returned to Seller at Seller's expense and risk. Seller shall promptly provide disposition instructions. If Seller fails to provide timely instructions, Buyer may store, return, dispose of, or otherwise handle the Goods at Seller's expense.

8.7 Latent Defects. Buyer's acceptance of Goods or Services shall not waive its rights with respect to latent defects, fraud, gross negligence, breach of warranty, or any nonconformity that could not reasonably have been discovered during inspection.

8.8 Corrective Action. Upon Buyer's request, Seller shall investigate the cause of any nonconformance and submit a written corrective action plan within the timeframe specified by Buyer. Seller shall promptly implement all approved corrective actions at no additional cost to Buyer.

8.9 Quality Requirements. Seller shall maintain an effective quality management system appropriate for the Goods and Services furnished under the Purchase Order and shall ensure that all Goods and Services conform to the requirements of the Purchase Order and the Contract Documents. Seller shall comply with the quality management, inspection, testing, product conformity, preservation, traceability, documentation, and corrective action requirements as incorporated by reference.

8.10 No Limitation of Rights. The rights and remedies provided in this Section are cumulative and are in addition to any other rights or remedies available to Buyer under the Purchase Order, these Standard Terms and Conditions, or applicable law. Buyer's exercise of any remedy shall not preclude the exercise of any other available remedy.

SECTION 9 – WARRANTIES

9.1 General Warranty. Seller warrants that all Goods and Services furnished under the Purchase Order shall:

- (a) be new and free from defects in design, material, and workmanship unless otherwise expressly approved in writing by Buyer;
- (b) conform to the requirements of the Purchase Order, the Contract Documents, specifications, drawings, samples, Statements of Work, and all other applicable requirements;
- (c) be merchantable and fit for the particular purpose for which they are intended, where such purpose has been made known to Seller;

(d) be manufactured, performed, and delivered in accordance with commercially accepted industry standards and good commercial practices;

(e) comply with all applicable laws, regulations, codes, and industry standards; and

(f) be free and clear of all liens, claims, security interests, or other encumbrances.

9.2 Warranty Period. Unless a longer warranty period is specified in the Purchase Order or otherwise required by the manufacturer, the warranties set forth in this Section shall remain in effect for the later of:

(a) twelve (12) months after Buyer's acceptance of the Goods or Services; or

(b) the manufacturer's standard warranty period applicable to the Goods.

Any repaired, corrected, replaced, or reperformed Goods or Services shall be warranted for the longer of the remaining original warranty period or twelve (12) months following Buyer's acceptance of the repaired, corrected, replaced, or reperformed Goods or Services.

9.3 Services Warranty. Seller warrants that all Services shall be performed in a professional and workmanlike manner by qualified personnel exercising the degree of care, skill, and diligence ordinarily exercised by experienced professionals performing similar services.

9.4 Title Warranty. Seller warrants that it has good and marketable title to all Goods furnished under the Purchase Order and that such Goods shall be delivered free and clear of all liens, claims, encumbrances, or security interests.

9.5 Intellectual Property Warranty. Seller warrants that the Goods, Services, Deliverables, and Work furnished under the Purchase Order do not infringe or misappropriate any patent, copyright, trademark, trade secret, or other Intellectual Property right of any third party. Seller shall promptly notify Buyer upon becoming aware of any actual or alleged infringement relating to the Goods or Services.

9.6 Remedies. If any Goods or Services fail to comply with the warranties set forth in this Section, Buyer may, at its sole option and in addition to any other rights or remedies available under the Agreement or applicable law, require Seller to:

(a) repair the nonconforming Goods;

(b) replace the nonconforming Goods;

(c) reperform the nonconforming Services;

(d) correct any defects or deficiencies;

(e) refund the Purchase Order price paid for the nonconforming Goods or Services; or

(f) reimburse Buyer for all reasonable costs and expenses incurred as a result of the nonconformity, including inspection, testing, transportation, removal, reinstallation, replacement, and administrative costs.

All warranty work shall be performed promptly and at Seller's sole expense.

9.7 No Limitation of Other Rights. The warranties provided in this Section are cumulative and are in addition to all warranties available under applicable law, the Uniform Commercial Code, the manufacturer's warranty, or any other warranty expressly provided by Seller. Inspection, testing, acceptance, payment, or use of the Goods or Services by Buyer shall not waive or limit any warranty or remedy available to Buyer.

9.8 Assignment of Manufacturer Warranties. To the extent Seller is not the manufacturer of the Goods, Seller shall assign or otherwise transfer to Buyer all assignable manufacturer warranties applicable to the Goods and shall reasonably assist Buyer in enforcing such warranties.

9.9 Survival. Seller's warranty obligations shall survive acceptance, payment, expiration, completion, cancellation, and termination of the Purchase Order in accordance with **Section 25 – Survival.**

SECTION 10 – QUALITY REQUIREMENTS

10.1 General. Seller shall establish, implement, and maintain a quality management system appropriate to the nature and complexity of the Goods and Services furnished under the Purchase Order. Seller shall ensure that all Goods and Services conform to the requirements of the Purchase Order, the Contract Documents, applicable specifications, drawings, and commercially accepted industry standards.

Seller shall comply with the quality management, inspection, testing, product conformity, documentation, traceability, preservation, corrective action, and supplier quality requirements as incorporated by reference.

10.2 Product Conformity. Seller shall ensure that all Goods and Services furnished under the Purchase Order fully conform to the applicable contractual, technical, regulatory, and quality requirements. Seller shall not knowingly deliver nonconforming Goods or Services without Buyer's prior written approval.

10.3 Inspection and Testing. Seller shall perform all inspections, examinations, verifications, and testing necessary to demonstrate compliance with the Purchase Order and shall maintain objective evidence of such inspections and tests. Buyer reserves the right to review or witness inspections and testing upon reasonable notice; however, such review or witnessing shall not relieve Seller of its responsibility for product quality or conformity.

10.4 Change Control. Seller shall not make any change affecting the form, fit, function, performance, reliability, materials, manufacturing process, manufacturing location,

software, suppliers, specifications, testing methods, or other characteristics of the Goods or Services without Buyer's prior written approval when such change could reasonably affect compliance with the Purchase Order.

10.5 Nonconforming Goods. Seller shall immediately notify Buyer upon discovery of any actual or suspected nonconformance affecting Goods or Services delivered or intended for delivery under the Purchase Order. Seller shall not ship, repair, rework, or otherwise disposition nonconforming Goods without Buyer's prior written authorization when such authorization is required by the Purchase Order or applicable Contract Documents.

10.6 Corrective and Preventive Action. Upon Buyer's request, Seller shall promptly investigate the root cause of any quality issue or nonconformance and submit a written corrective action plan identifying the cause, corrective actions, preventive measures, responsible personnel, and implementation schedule. Seller shall promptly implement all approved corrective actions at no additional cost to Buyer.

10.7 Records. Seller shall maintain complete and accurate quality records demonstrating compliance with the Purchase Order for a minimum of **seven (7) years** after final payment or for such longer period as specified in the Purchase Order or required by applicable law. Upon reasonable notice, Buyer may request access to such records solely for the purpose of verifying Seller's compliance with the Purchase Order.

10.8 Subcontractors and Suppliers. Seller shall ensure that its subcontractors and suppliers performing work related to the Purchase Order comply with quality requirements appropriate to the Goods and Services provided. Seller remains fully responsible for the quality, conformity, and performance of all Goods and Services furnished by its subcontractors and suppliers.

10.9 Continuous Improvement. Seller shall maintain processes for monitoring product quality, identifying recurring quality issues, implementing corrective and preventive actions, and continuously improving its quality management practices to promote reliable performance and customer satisfaction.

10.10 Review and Audit Rights. Upon reasonable advance notice and during normal business hours, Buyer may audit Seller's quality management processes, records, and procedures solely to verify compliance with the Purchase Order and the Contract Documents. Such audits shall be conducted in a manner that minimizes disruption to Seller's operations and shall not relieve Seller of its obligations under the Agreement.

10.11 Survival. Seller's quality obligations, including obligations relating to product conformity, nonconforming Goods, corrective actions, record retention, and quality documentation, shall survive delivery, acceptance, payment, expiration, and termination of the Purchase Order to the extent necessary to enforce Buyer's rights and Seller's obligations under the Agreement.

SECTION 11 – CONFIDENTIALITY AND INTELLECTUAL PROPERTY

11.1 Confidential Information. Seller acknowledges that, during the performance of the Purchase Order, it may receive or have access to Confidential Information belonging to Buyer. Seller shall maintain the confidentiality of all Confidential Information and shall use such information solely for the purpose of performing the Purchase Order. Seller shall not disclose Confidential Information to any third party except with Buyer's prior written consent or as required by applicable law.

11.2 Protection of Confidential Information. Seller shall exercise at least the same degree of care in protecting Buyer's Confidential Information as it uses to protect its own confidential information of a similar nature, but in no event less than a reasonable standard of care. Seller shall implement appropriate administrative, technical, and physical safeguards to prevent unauthorized access, disclosure, alteration, loss, or misuse of Confidential Information.

11.3 Permitted Disclosure. If Seller is required by applicable law, court order, or governmental authority to disclose Confidential Information, Seller shall, to the extent legally permitted, promptly notify Buyer in writing before making such disclosure and shall reasonably cooperate with Buyer in seeking a protective order or other appropriate remedy.

11.4 Return or Destruction of Confidential Information. Upon Buyer's written request or upon completion or termination of the Purchase Order, Seller shall promptly return or securely destroy all Confidential Information, including all copies, extracts, summaries, and reproductions, except where retention is required by applicable law or for legitimate record retention purposes. Upon request, Seller shall certify in writing that such return or destruction has been completed.

11.5 Ownership of Intellectual Property. Each Party shall retain ownership of its respective Background Intellectual Property. Unless otherwise expressly agreed in writing, all Deliverables, work product, designs, drawings, specifications, documentation, reports, software, technical data, inventions, discoveries, developments, and other Intellectual Property specifically developed or created by Seller for Buyer under the Purchase Order ("Foreground Intellectual Property") shall be the exclusive property of Buyer upon creation or, where applicable, upon payment. Seller hereby assigns, and agrees to assign, to Buyer all right, title, and interest in such Foreground Intellectual Property to the extent permitted by applicable law.

11.6 License to Background Intellectual Property. To the extent any Seller-owned Background Intellectual Property is incorporated into or is necessary for Buyer to use, maintain, repair, modify, or support the Deliverables, Seller grants Buyer a perpetual, worldwide, non-exclusive, royalty-free, irrevocable, transferable license to use such Background Intellectual Property solely as necessary for Buyer's internal business purposes and the intended use of the Deliverables.

11.7 Third-Party Intellectual Property. Seller warrants that the Goods, Services, Deliverables, and Work furnished under the Purchase Order do not knowingly infringe, misappropriate, or otherwise violate the Intellectual Property rights of any third party. Seller shall promptly notify Buyer of any actual or threatened claim alleging such infringement.

11.8 Intellectual Property Indemnification. Seller shall defend, indemnify, and hold harmless Buyer from any third-party claim alleging that the Goods, Services, Deliverables, or Work infringe any patent, copyright, trademark, trade secret, or other Intellectual Property right, except to the extent such claim results solely from specifications or designs furnished exclusively by Buyer.

11.9 Publicity. Seller shall not use Buyer's name, trademarks, logos, photographs, or other identifying information, nor publicly disclose the existence or terms of the Purchase Order, without Buyer's prior written consent, except as required by applicable law.

11.10 Survival. Seller's obligations relating to Confidential Information, Intellectual Property, trade secrets, and proprietary information shall survive expiration, completion, cancellation, and termination of the Purchase Order in accordance with **Section 25 – Survival**.

SECTION 12 – COMPLIANCE WITH LAWS

12.1 General Compliance. Seller shall comply with all Applicable Laws in the performance of the Purchase Order, including all applicable federal, state, provincial, and local laws, regulations, ordinances, codes, rules, and legally binding governmental requirements applicable to the Goods, Services, and Seller's operations.

12.2 Business Ethics. Seller shall conduct its business with honesty, integrity, and in accordance with commercially accepted ethical business practices. Seller shall maintain policies and internal controls reasonably designed to prevent fraud, bribery, corruption, embezzlement, conflicts of interest, and other unlawful or unethical conduct.

Seller shall comply with the quality requirements specified in the Purchase Order, Statement of Work, specifications, drawings, and all documents incorporated by reference.

12.3 Labor and Employment Practices. Seller shall comply with all Applicable Laws relating to wages, hours, employment practices, equal employment opportunity, nondiscrimination, workplace harassment, occupational health and safety, and workers' rights. Seller shall not utilize forced labor, involuntary labor, child labor, or human trafficking in connection with the performance of the Purchase Order.

12.4 Environmental Compliance. Seller shall perform the Purchase Order in compliance with all Applicable Laws relating to environmental protection, hazardous

materials, waste management, pollution prevention, recycling, and the handling, storage, transportation, and disposal of regulated substances.

12.5 Health and Safety. Seller shall provide and maintain a safe and healthy workplace and shall comply with all Applicable Laws governing occupational health and safety. Seller shall implement appropriate procedures to protect its employees, subcontractors, visitors, and property during the performance of the Purchase Order.

12.6 Anti-Bribery and Anti-Corruption. Seller shall not directly or indirectly offer, promise, authorize, solicit, or accept any bribe, kickback, improper payment, or other thing of value intended to improperly influence any business decision. Seller shall comply with all applicable anti-bribery and anti-corruption laws.

12.7 Export Control and Trade Compliance. Seller shall comply with all Applicable Laws relating to export controls, imports, customs, sanctions, and international trade applicable to the Goods or Services furnished under the Purchase Order. Where applicable, Seller shall also comply with the applicable law and forms a part of these Standard Terms and Conditions.

12.8 Product Compliance. Seller warrants that all Goods and Services furnished under the Purchase Order comply with all applicable legal, regulatory, safety, certification, labeling, and industry requirements governing their manufacture, sale, transportation, importation, exportation, and intended use.

12.9 Notification of Noncompliance. Seller shall promptly notify Buyer in writing upon becoming aware of any actual or suspected violation of Applicable Law or any circumstance that may materially affect Seller's ability to perform the Purchase Order or the conformity of the Goods or Services.

12.10 Subcontractors. Seller shall require its subcontractors and suppliers performing work related to the Purchase Order to comply with Applicable Laws and with those contractual requirements applicable to the Goods and Services being provided. Seller remains fully responsible for the performance and compliance of its subcontractors and suppliers.

12.11 Audit and Records. Upon reasonable notice, Buyer may request documentation reasonably necessary to verify Seller's compliance with this Section. Seller shall maintain records demonstrating compliance with Applicable Laws for the period required by applicable law or as otherwise specified in the Purchase Order.

12.12 Remedies. Seller's failure to comply with this Section shall constitute a material breach of the Purchase Order. In addition to any other rights or remedies available under the Agreement or applicable law, Buyer may require corrective action, suspend performance, reject nonconforming Goods or Services, terminate the Purchase Order for cause, or pursue any other remedy available under the Agreement.

12.13 Survival. Seller's obligations under this Section, including obligations relating to legal compliance, business ethics, record retention, and cooperation with investigations arising from the performance of the Purchase Order, shall survive the expiration, completion, cancellation, or termination of the Purchase Order to the extent necessary to enforce the Parties' rights and obligations.

SECTION 13 – EXPORT CONTROL & TRADE COMPLIANCE

13.1 General Compliance. Seller shall comply with all Applicable Laws governing export controls, import regulations, customs requirements, economic sanctions, embargoes, and international trade in connection with the performance of the Purchase Order and the manufacture, sale, shipment, transfer, or provision of the Goods and Services.

Seller shall comply with all applicable export control, customs, sanctions, and trade compliance laws and regulations, including any applicable FAR, DFARS, agency supplemental clauses, and other requirements expressly incorporated into the Purchase Order, including IPS-GF-001 when identified in the Purchase Order.

13.2 Export Classification. Seller shall be responsible for determining and providing all applicable export classification information for the Goods and Services furnished under the Purchase Order, including export control classifications, tariff classifications, country of origin, and any other information reasonably required by Buyer to comply with Applicable Laws.

13.3 Import and Customs Compliance. Seller shall comply with all Applicable Laws governing customs documentation, import and export declarations, country of origin requirements, product marking, tariff classifications, and other international trade requirements applicable to the Goods and Services.

13.4 Restricted Parties. Seller represents and warrants that neither Seller nor, to Seller's knowledge, its owners, officers, directors, employees, agents, or subcontractors performing work under the Purchase Order are identified on any applicable government restricted, denied, debarred, or sanctioned party list that would prohibit performance of the Purchase Order under Applicable Law.

13.5 Export Licenses and Authorizations. Seller shall obtain and maintain, at its own expense unless otherwise agreed in writing, all licenses, permits, authorizations, approvals, and registrations required for Seller's performance under the Purchase Order.

13.6 Trade Documentation. Seller shall provide all export, import, customs, shipping, and trade compliance documentation reasonably required by Buyer, including certificates of origin, commercial invoices, packing lists, tariff classifications, export classifications, and any other documentation necessary to facilitate lawful shipment and importation of the Goods.

13.7 Notification of Compliance Issues. Seller shall promptly notify Buyer in writing upon becoming aware of any actual or suspected violation of Applicable Laws relating to export controls, sanctions, customs, or international trade that could affect the Purchase Order or the Goods or Services furnished thereunder.

13.8 Subcontractors. Seller shall ensure that subcontractors and suppliers performing work related to the Purchase Order comply with the export control and international trade requirements applicable to the Goods and Services furnished. Seller remains responsible for the compliance of its subcontractors and suppliers.

13.9 Cooperation. Seller shall reasonably cooperate with Buyer in responding to governmental inquiries, audits, investigations, or requests for information relating to export control, customs, or international trade compliance associated with the Purchase Order.

13.10 Remedies. Seller's failure to comply with this Section shall constitute a material breach of the Purchase Order. In addition to any other rights or remedies available under the Agreement or applicable law, Buyer may suspend performance, reject Goods or Services, terminate the Purchase Order for cause, or pursue any other remedy available under the Agreement.

13.11 Survival. Seller's obligations relating to export control, customs compliance, sanctions, record retention, and governmental cooperation shall survive expiration, completion, cancellation, and termination of the Purchase Order in accordance with **Section 25 – Survival**.

SECTION 14 – CYBERSECURITY

14.1 General. Seller shall comply with the cybersecurity requirements set forth in **Appendix G – Cybersecurity Requirements**, where identified in the Purchase Order or otherwise applicable to the Goods, Services, or Deliverables provided under the Purchase Order. Appendix G is incorporated into and forms an integral part of these Commercial Standard Terms and Conditions.

14.2 Information Security. Seller shall maintain information security practices appropriate to the scope and nature of the Goods, Services, Deliverables, and information involved, including reasonable safeguards to protect against unauthorized access, disclosure, alteration, destruction, corruption, misuse, or loss of information.

14.3. Applicable Security Standards. Seller shall maintain cybersecurity practices generally consistent with recognized commercial industry standards appropriate to the scope of the Goods or Services being provided, including, as applicable, ISO/IEC 27001, the NIST Cybersecurity Framework, the CIS Critical Security Controls, or comparable industry-recognized standards. Compliance with any particular standard shall not be required unless expressly identified in the Purchase Order, Statement of Work, or **Appendix G – Cybersecurity Requirements**.

14.4 Protection of Buyer Information. Seller shall use Buyer's Confidential Information solely for purposes of performing the Purchase Order and shall not disclose such information except as expressly authorized by Buyer or required by applicable law.

14.5 Security Incidents. Seller shall promptly notify Buyer, without unreasonable delay, upon becoming aware of any actual or suspected unauthorized access, disclosure, loss, alteration, destruction, ransomware attack, malware infection, cybersecurity event, or other security incident that could reasonably affect Buyer's information, systems, operations, or the Goods or Services provided under the Purchase Order. Seller shall preserve relevant evidence relating to the Security Incident and reasonably cooperate with Buyer in any investigation, remediation, or recovery efforts.

Seller shall promptly investigate the incident, take appropriate corrective actions, cooperate with Buyer in mitigating any adverse effects, and provide reasonable information regarding the nature of the incident and corrective measures implemented.

14.6 Access Control. Seller shall restrict access to Buyer information to those employees, agents, subcontractors, and representatives who have a legitimate business need to know such information for the performance of the Purchase Order and who are bound by confidentiality obligations no less protective than those contained herein.

14.7 Subcontractors. Seller shall require subcontractors and third-party service providers having access to Buyer information to maintain cybersecurity and information security measures appropriate to the services being performed. Seller remains responsible for the acts and omissions of its subcontractors relating to information security.

14.8 Business Continuity. Seller shall maintain commercially reasonable business continuity and disaster recovery plans and procedures appropriate to the Goods or Services being provided and designed to minimize disruption to performance under the Purchase Order.

14.9 Return or Destruction of Information. Upon completion or termination of the Purchase Order, or upon Buyer's written request, Seller shall promptly return or securely destroy Buyer's Confidential Information, except where retention is required by applicable law or for legitimate record retention purposes. Upon request, Seller shall certify such return or destruction in writing.

14.10 Audit and Verification. Upon reasonable advance notice, Buyer may request information reasonably necessary to verify Seller's compliance with the cybersecurity obligations applicable to the Purchase Order. Buyer shall conduct any such review in a manner that minimizes disruption to Seller's business operations and protects Seller's confidential information.

14.11 Remedies. Seller's material failure to comply with this Section or **Appendix G – Cybersecurity Requirements** may constitute a material breach of the Purchase Order.

14.12 Survival. Seller's obligations relating to cybersecurity, protection of Buyer information, incident notification, and return or destruction of Buyer information shall survive expiration, completion, cancellation, and termination of the Purchase Order in accordance with **Section 25 – Survival**.

SECTION 15 – INSURANCE

15.1 General. Seller shall, at its own expense, procure, maintain, and keep in effect throughout the performance of the Purchase Order insurance coverage appropriate to the nature, scope, and risks associated with the Goods and Services furnished under the Purchase Order.

Seller shall comply with the insurance requirements as required by applicable law.

15.2 Minimum Coverage. Unless otherwise specified in the Purchase Order, Seller shall maintain insurance coverage as required by Applicable Law and in amounts commercially reasonable for the Goods and Services being provided.

15.3 Certificates of Insurance. Upon Buyer's written request, Seller shall furnish certificates of insurance or other evidence reasonably satisfactory to Buyer demonstrating compliance with this Section and as required by applicable law. Buyer's receipt or review of such documentation shall not limit Seller's obligations or liabilities under the Purchase Order.

15.4 Maintenance of Coverage. Seller shall maintain the required insurance continuously throughout the performance of the Purchase Order and shall ensure that any subcontractors performing work under the Purchase Order maintain insurance appropriate to the risks associated with their work. Seller remains fully responsible for the acts and omissions of its subcontractors.

15.5 Notice of Material Changes. Seller shall promptly notify Buyer in writing of any cancellation, non-renewal, material reduction in coverage, or other material change that could reasonably affect Seller's ability to perform the Purchase Order.

15.6 No Limitation of Liability. Seller's insurance obligations shall not limit, reduce, or otherwise affect Seller's contractual obligations, liabilities, indemnification responsibilities, or any other obligations under the Purchase Order. The availability of insurance shall not relieve Seller of responsibility for losses or damages for which Seller is otherwise liable.

15.7 Claims. Seller shall promptly notify Buyer of any claim, lawsuit, loss, or occurrence that could materially affect Seller's ability to perform the Purchase Order or that may reasonably be expected to result in a claim involving Buyer arising out of the Goods or Services furnished under the Purchase Order.

15.8 Remedies. Seller's failure to maintain the insurance required by this Section or as required by applicable law shall constitute a material breach of the Purchase Order. In addition to any other rights or remedies available under the Agreement or applicable law, Buyer may suspend performance, withhold payment to the extent permitted by law, procure insurance at Seller's expense where commercially reasonable, terminate the Purchase Order for cause, or pursue any other remedy available under the Agreement.

15.9 Survival. Seller's obligations relating to insurance coverage, claims, and liabilities arising from performance of the Purchase Order shall survive expiration, completion, cancellation, and termination of the Purchase Order in accordance with **Section 25 – Survival**.

SECTION 16- INDEMNIFICATION

16.1 Seller's Indemnification. Seller shall defend, indemnify, and hold harmless Buyer, its parent companies, subsidiaries, affiliates, successors, assigns, officers, directors, employees, agents, customers, and representatives (collectively, the "Buyer Indemnitees") from and against any and all claims, demands, actions, causes of action, liabilities, damages, losses, judgments, settlements, penalties, fines, costs, and expenses, including reasonable attorneys' fees and costs of investigation (collectively, "Claims"), arising out of or relating to:

- (a) Seller's breach of the Purchase Order or the Contract Documents;
- (b) the negligent acts or omissions, gross negligence, or willful misconduct of Seller or its employees, agents, subcontractors, or suppliers;
- (c) bodily injury, death, or damage to real or personal property caused by Seller or the Goods or Services furnished under the Purchase Order;
- (d) any actual or alleged defect, nonconformity, or failure of the Goods or Services to comply with the Purchase Order or applicable warranties;
- (e) Seller's violation of Applicable Law; or
- (f) any claim that the Goods, Services, Deliverables, or Work infringe or misappropriate any patent, copyright, trademark, trade secret, or other Intellectual Property right of a third party.

16.2 Exclusions. Seller shall not be required to indemnify Buyer to the extent a Claim is finally determined by a court of competent jurisdiction to have resulted solely from Buyer's gross negligence or willful misconduct.

16.3 Defense of Claims. Buyer shall promptly notify Seller of any Claim for which indemnification is sought, provided that any delay in providing notice shall not relieve Seller of its obligations except to the extent Seller is materially prejudiced by such delay.

Seller shall assume the defense of the Claim using legal counsel reasonably acceptable to Buyer. Buyer may participate in the defense at its own expense. Seller shall not settle any Claim that imposes liability, admits fault, or otherwise adversely affects Buyer without Buyer's prior written consent, which shall not be unreasonably withheld.

16.4 INTERLECTUAL PROPERTY CLAIMS.

If any Goods, Services, Deliverables, or Work become, or in Seller's reasonable opinion are likely to become, the subject of an Intellectual Property infringement claim, Seller shall, at its own expense and at Buyer's option:

- (a) obtain for Buyer the right to continue using the affected Goods or Services;
- (b) replace the affected Goods or Services with functionally equivalent non-infringing Goods or Services;
- (c) modify the affected Goods or Services so they become non-infringing without materially reducing functionality or performance; or
- (d) if none of the foregoing is commercially reasonable, refund the amounts paid by Buyer for the affected Goods or Services and reimburse Buyer for all reasonable removal, replacement, and transition costs.

16.5 Exclusive Responsibility. Seller's indemnification obligations are independent of, and shall not be limited by, any insurance maintained by Seller or by any limitation of liability contained elsewhere in the Agreement.

16.6 Survival. Seller's indemnification obligations shall survive inspection, acceptance, payment, expiration, completion, cancellation, and termination of the Purchase Order in accordance with **Section 25 – Survival**.

SECTION 17- LIMITATION of LIABILITY

17.1 General Limitation. Except as expressly provided in this Agreement, neither Party shall be liable to the other for any indirect, incidental, consequential, special, exemplary, or punitive damages, including loss of profits, loss of revenue, loss of business opportunity, loss of goodwill, or loss of anticipated savings, arising out of or relating to the Purchase Order, regardless of the legal theory asserted and even if advised of the possibility of such damages.

17.2 Exceptions. The limitations set forth in this Section shall **not** apply to:

- (a) Seller's indemnification obligations under **Section 16 – Indemnification**;
- (b) Seller's breach of **Section 11 – Confidentiality and Intellectual Property**;
- (c) Claims arising from infringement or misappropriation of Intellectual Property rights;

- (e) Seller's fraud, fraudulent misrepresentation, gross negligence, or willful misconduct;
- (f) Claims for bodily injury, death, or damage to tangible property caused by Seller;
- (g) Seller's breach of applicable laws, including export control, trade compliance, or cybersecurity obligations;
- (h) Seller's warranty obligations under **Section 9 – Warranties**;
- (i) Amounts owed by Seller to Buyer under the Purchase Order, including reimbursement obligations, refunds, or overpayments; or
- (j) Any liability that cannot be limited or excluded under Applicable Law

17.3 Buyer's Remedies. The limitations contained in this Section shall not limit Buyer's right to reject Goods or Services, require repair or replacement, obtain reimbursement, recover direct damages, terminate the Purchase Order, or pursue any other remedy expressly provided under the Agreement or available under Applicable Law.

17.4 Duty to Mitigate. Each Party shall use commercially reasonable efforts to mitigate damages arising from any breach of the Purchase Order.

17.5 Cumulative Remedies. The rights and remedies provided in the Purchase Order are cumulative and are in addition to any other rights or remedies available under Applicable Law or in equity. The exercise of any remedy shall not preclude the exercise of any other available remedy.

17.6 No Waiver. A Party's failure or delay in exercising any right or remedy under the Purchase Order shall not constitute a waiver of that right or remedy, nor shall any partial exercise preclude any further exercise of the same or any other right or remedy.

17.7 Survival. The limitations and exclusions of liability set forth in this Section shall survive the expiration, completion, cancellation, or termination of the Purchase Order to the extent necessary to give effect to the Parties' rights and obligations.

SECTION 18-FORCE MAJEURE

18.1 Force Majeure Events. Neither Party shall be liable for any delay or failure to perform its obligations under the Purchase Order to the extent such delay or failure is directly caused by an event beyond the reasonable control of the affected Party and without its fault or negligence ("Force Majeure Event"). Force Majeure Events may include, by way of example and not limitation:

- (a) acts of God;
- (b) hurricanes, tornadoes, floods, earthquakes, fires, or other natural disasters;
- (c) epidemics, pandemics, or other widespread public health emergencies;

- (d) war, invasion, armed conflict, terrorism, sabotage, or civil unrest;
- (e) government actions, embargoes, sanctions, or changes in law that materially prevent performance;
- (f) widespread labor strikes or lockouts affecting an entire industry, excluding labor disputes involving Seller's own workforce;
- (g) interruptions of public utilities or transportation systems beyond the affected Party's reasonable control; and
- (h) other similar extraordinary events beyond the reasonable control of the affected Party.

18.2 Events Not Constituting Force Majeure. The following shall not constitute Force Majeure Events unless directly resulting from a qualifying Force Majeure Event:

- (a) increases in the cost of labor, materials, transportation, or fuel;
- (b) ordinary equipment failures or maintenance issues;
- (c) shortages of labor, materials, or components that could reasonably have been anticipated or mitigated;
- (d) financial hardship, insolvency, or lack of funds; or
- (e) failures of Seller's subcontractors or suppliers that are not themselves caused by a qualifying Force Majeure Event.

18.3 Notice. The affected Party shall provide written notice to the other Party as soon as reasonably practicable, but no later than **five (5) business days** after becoming aware of the Force Majeure Event. Such notice shall include:

- (a) a description of the Force Majeure Event;
- (b) the anticipated impact on performance;
- (c) the expected duration of the delay; and
- (d) the actions being taken to mitigate the effects of the Force Majeure Event.

The affected Party shall provide periodic status updates upon reasonable request.

18.4 Duty to Mitigate. The affected Party shall use commercially reasonable efforts to minimize the effects of the Force Majeure Event, continue partial performance where practicable, and resume full performance as soon as reasonably possible.

18.5 Buyer's Rights. If the Force Majeure Event continues for **thirty (30) consecutive days**, or for such other period as may be specified in the applicable Purchase Order, or if

Seller is unable to provide a commercially reasonable recovery plan acceptable to Buyer, Buyer may, upon written notice and without liability:

- (a) procure substitute Goods or Services from alternate sources;
- (b) suspend performance under the Purchase Order;
- (c) reduce quantities or modify delivery schedules; or
- (d) terminate all or part of the Purchase Order upon written notice.

Termination under this Section shall not constitute a default by either Party.

18.6 Payment Obligations. A Force Majeure Event shall not relieve Buyer of its obligation to pay for Goods or Services that were properly delivered and accepted before the occurrence of the Force Majeure Event.

18.7 Resumption of Performance. Upon cessation of the Force Majeure Event, the affected Party shall promptly resume performance and notify the other Party that performance has resumed.

18.8 No Extension of Other Obligations. Except to the extent directly affected by the Force Majeure Event, all other obligations under the Purchase Order shall remain in full force and effect.

18.9 Survival. The rights and obligations arising under this Section with respect to any Force Majeure Event occurring during the term of the Purchase Order shall survive expiration, completion, cancellation, or termination of the Purchase Order to the extent necessary to resolve the effects of such event.

SECTION 19- TERMINATION FOR CONVENIENCE

19.1 Buyer's Right to Terminate. Buyer may, at any time and for any reason, terminate all or any part of the Purchase Order for its convenience by providing written notice to Seller. The notice shall specify the effective date and the extent of the termination.

19.2 Seller's Obligations Upon Notice. Upon receipt of Buyer's notice of termination, Seller shall immediately, unless otherwise directed by Buyer:

- (a) stop all work relating to the terminated portion of the Purchase Order;
- (b) place no further purchase orders or subcontracts except as necessary to complete any portion of the Purchase Order not terminated;
- (c) terminate or assign outstanding subcontracts related to the terminated work to the extent commercially reasonable;
- (d) protect and preserve all completed and partially completed Goods, Deliverables, materials, and work in process in Seller's possession; and

(e) promptly deliver to Buyer all completed Goods, Deliverables, work product, drawings, documentation, and other items for which Buyer is entitled to payment.

19.3 Compensation. Buyer shall pay Seller only for:

(a) conforming Goods delivered and accepted before the effective date of termination;

(b) conforming Services satisfactorily performed before the effective date of termination;

(c) reasonable and properly documented costs directly incurred as a result of the termination that Seller cannot reasonably avoid; and

(d) any completed work that Buyer elects to accept.

Seller shall not be entitled to recover anticipated profits, loss of future business, loss of opportunity, indirect damages, consequential damages, or costs that could reasonably have been avoided.

19.4 Termination Settlement. Within **thirty (30) days** after the effective date of termination, Seller shall submit a final termination settlement proposal supported by reasonable documentation. Buyer may audit or review such documentation to verify the amounts claimed.

19.5 Buyer's Property. Seller shall promptly return all Buyer-owned property, Confidential Information, tooling, equipment, materials, and documents in Seller's possession upon Buyer's request or upon termination of the Purchase Order.

19.6 Partial Termination. If Buyer terminates only a portion of the Purchase Order, Seller shall continue diligent performance of the remaining work unless otherwise directed in writing by Buyer.

19.7 No Waiver. Termination for convenience shall not affect any rights or obligations that accrued prior to the effective date of termination, including warranty obligations, confidentiality obligations, intellectual property rights, indemnification obligations, payment obligations, or any other provisions that by their nature survive termination.

19.8 Survival. The provisions of the Purchase Order that by their nature are intended to survive expiration or termination, including those relating to payment, confidentiality, intellectual property, warranties, indemnification, limitation of liability, records, dispute resolution, governing law, and audit review rights, shall survive termination for convenience to the extent necessary to give effect to their purpose.

SECTION 20- TERMINATION FOR CAUSE (DEFAULT)

20.1 Buyer's Right to Terminate. Buyer may terminate all or any part of the Purchase Order for cause upon written notice if Seller:

(a) fails to deliver the Goods or perform the Services within the time required by the Purchase Order;

- (b) fails to comply with any material term or condition of the Purchase Order or the Contract Documents;
- (c) delivers defective, nonconforming, or rejected Goods or Services and fails to promptly cure such nonconformance;
- (d) fails to make adequate progress such that timely performance is endangered;
- (e) becomes insolvent, makes an assignment for the benefit of creditors, files or has filed against it a petition in bankruptcy or receivership that is not dismissed within sixty (60) days, or otherwise ceases to conduct business in the ordinary course; or
- (f) engages in fraud, material misrepresentation, unlawful conduct, or other acts that materially impair Seller's ability to perform the Purchase Order.

20.2 Opportunity to Cure. Except where immediate termination is justified under Section 20.3, Buyer shall provide Seller with written notice specifying the default. Seller shall have **ten (10) business days**, or such longer period specified by Buyer, to cure the default to Buyer's reasonable satisfaction.

If Seller fails to timely cure the default, Buyer may terminate the Purchase Order, in whole or in part, upon written notice.

20.3 Immediate Termination. Buyer may terminate the Purchase Order immediately upon written notice, without providing an opportunity to cure, if the default involves:

- (a) fraud or intentional misrepresentation;
- (b) criminal or unlawful conduct materially affecting the Purchase Order;
- (c) unauthorized disclosure or misuse of Buyer's Confidential Information or Intellectual Property;
- (d) insolvency or cessation of Seller's business operations;
- (e) any breach that cannot reasonably be cured; or
- (f) any circumstance that presents an immediate and material risk to Buyer's business operations, customers, personnel, or property.

20.4 Buyer's Remedies. Upon termination for cause, Buyer may, in addition to any other rights or remedies available under the Purchase Order or Applicable Law:

- (a) procure substitute Goods or Services from alternate sources;
- (b) reject or return nonconforming Goods at Seller's expense;

- (c) recover all reasonable additional costs incurred in obtaining replacement Goods or Services;
- (d) offset amounts owed to Seller against Buyer's damages or other amounts recoverable from Seller, to the extent permitted by Applicable Law;
- (e) require Seller to transfer completed work, work in process, documentation, and Deliverables for which Buyer has paid or is obligated to pay; and
- (f) pursue any other legal or equitable remedy available under the Agreement or Applicable Law.

20.5 Payment Following Termination. Buyer shall pay Seller only for conforming Goods accepted and conforming Services satisfactorily performed before the effective date of termination. Buyer may withhold payment for disputed amounts or amounts reasonably necessary to protect Buyer against losses resulting from Seller's default, to the extent permitted by Applicable Law.

20.6 Seller's Obligations Upon Termination. Upon termination, Seller shall immediately:

- (a) stop work on the terminated portion of the Purchase Order;
- (b) preserve and protect Buyer's property and all completed or partially completed Deliverables;
- (c) deliver to Buyer all completed work for which Buyer is entitled to payment;
- (d) return all Buyer-owned property, Confidential Information, tooling, equipment, documents, and materials; and
- (e) reasonably cooperate with Buyer to facilitate an orderly transition of the work.

20.7 Conversion to Termination for Convenience. If a termination for cause is finally determined by a court or other tribunal of competent jurisdiction to have been improper, the termination shall be deemed a termination for convenience under **Section 19 – Termination for Convenience**, and the Parties' rights and obligations shall be governed by that Section.

20.8 No Waiver. Termination for cause shall not limit or waive any rights or remedies available to Buyer under the Purchase Order, these Standard Terms and Conditions, or Applicable Law.

20.9 Survival. The provisions of the Purchase Order that by their nature survive termination, including those relating to confidentiality, intellectual property, warranties, indemnification, limitation of liability, payment obligations, record retention, dispute resolution, governing law, and audit and review rights, shall survive termination for cause to the extent necessary to enforce the Parties' rights and obligations.

SECTION 21- ASSIGNMENT AND SUBCONTRACTING

21.1 Assignment by Seller. Seller shall not assign, delegate, transfer, novate, or otherwise convey any of its rights, duties, or obligations under the Purchase Order, whether voluntarily, by operation of law, merger, acquisition, change of control, or otherwise, without the prior written consent of Buyer. Any attempted assignment without such consent shall be null and void to the extent permitted by Applicable Law.

21.2 Assignment by Buyer. Buyer may assign, transfer, or delegate the Purchase Order, in whole or in part, without Seller's consent to:

- (a) any parent, subsidiary, or affiliate;
- (b) any successor by merger, consolidation, reorganization, or acquisition; or
- (c) any purchaser of all or substantially all of Buyer's business or assets related to the Purchase Order.

Any permitted assignee shall assume Buyer's rights and obligations under the Purchase Order.

21.3 Subcontracting. Seller shall not subcontract any material portion of the Goods or Services without Buyer's prior written consent when the identity or qualifications of the subcontractor are material to the Purchase Order or when such consent is expressly required by the Purchase Order.

Seller may utilize subcontractors for routine commercial activities that do not materially affect performance, provided Seller remains fully responsible for the performance of the Purchase Order.

Seller shall not subcontract the manufacture of custom-engineered products, proprietary components, software development, or other critical work identified by Buyer without Buyer's prior written consent.

21.4 Responsibility for Subcontractors. Seller shall remain solely responsible for the acts, omissions, performance, quality, compliance, and obligations of its subcontractors, suppliers, employees, and agents as though such acts or omissions were those of Seller. No subcontract shall relieve Seller of any obligation or liability under the Purchase Order.

21.5 Flow-Down Requirements. Seller shall incorporate into its subcontracts all contractual requirements reasonably necessary to enable Seller to comply with its obligations under the Purchase Order, including requirements relating to quality, confidentiality, intellectual property, cybersecurity, compliance with Applicable Law, export control, and insurance, to the extent applicable to the subcontracted work.

21.6 Change of Ownership or Control. Seller shall promptly notify Buyer in writing of any proposed merger, acquisition, sale of substantially all assets, or change in ownership or control that could materially affect Seller's ability to perform the Purchase Order.

Buyer may, at its option, review the continued performance of the Purchase Order and

exercise any rights available under the Agreement if such transaction materially impairs Seller's ability to perform.

21.7 No Third-Party Beneficiaries. Except as expressly provided in the Purchase Order, nothing contained herein shall be construed to create any contractual relationship or third-party beneficiary rights in favor of any subcontractor, supplier, or other third party.

21.8 Survival. Seller's obligations relating to subcontracting, responsibility for subcontractors, flow-down requirements, confidentiality, intellectual property, and compliance with the Purchase Order shall survive expiration, completion, cancellation, or termination of the Purchase Order to the extent necessary to enforce the Parties' rights and obligations.

SECTION 22- RECORDS, RETENTION, AND AUDIT

22.1 Records. Seller shall maintain complete, accurate, and legible books, records, documents, certifications, test reports, inspection records, quality records, shipping records, and other documentation reasonably necessary to demonstrate compliance with the Purchase Order and the Contract Documents.

22.2 Record Retention. Unless a longer period is specified in the Purchase Order or required by Applicable Law, Seller shall retain the records described in this Section for a minimum of **seven (7) years** following final payment, expiration, or termination of the Purchase Order, whichever occurs last.

22.3 Buyer's Right to Audit and Review. Upon reasonable advance written notice and during Seller's normal business hours, Buyer may review records directly related to Seller's performance of the Purchase Order for the sole purpose of verifying compliance with the contractual requirements.

Any such review shall be conducted in a manner that minimizes disruption to Seller's business operations.

22.4 Review and Audit Rights. Where reasonably necessary to verify Seller's compliance with the Purchase Order, Buyer may conduct an audit review of Seller's records, quality management processes, manufacturing controls, inspection records, or other documentation directly related to the Goods or Services furnished under the Purchase Order.

Buyer shall provide reasonable advance notice of the audit review, and any audit shall be conducted during normal business hours in a manner that minimizes interference with Seller's operations.

22.5 Confidential Information. Buyer shall treat Seller's confidential or proprietary business information obtained during any review or audit as Confidential Information in

accordance with the confidentiality provisions of the Purchase Order and shall use such information solely for purposes of administering or enforcing the Purchase Order.

22.6 Electronic Records. Electronic records shall be acceptable provided they are complete, accurate, readily retrievable, protected against unauthorized alteration, and capable of being reproduced in a readable format upon Buyer's reasonable request.

22.7 Nonconformities. If a review or audit identifies material noncompliance with the Purchase Order, Seller shall promptly investigate the matter, implement appropriate corrective actions, and provide Buyer with a written corrective action plan and status updates upon request.

22.8 Costs. Each Party shall bear its own costs associated with any review or audit unless the audit identifies a material breach of the Purchase Order by Seller, in which case Seller shall reimburse Buyer for the reasonable costs of the audit review to the extent permitted by Applicable Law.

22.9 Survival. Seller's obligations relating to record retention, documentation, audit review cooperation, and corrective actions shall survive the expiration, completion, cancellation, or termination of the Purchase Order for the applicable record retention period or as otherwise required by Applicable Law.

SECTION 23- NOTICES

23.1 Notice Requirement. Any notice, demand, request, consent, approval, instruction, claim, or other communication required or permitted under the Purchase Order ("Notice") shall be in writing and shall be delivered in accordance with this Section.

23.2 Delivery Methods. Unless otherwise specified in the Purchase Order, Notices may be delivered by:

- (a) personal delivery;
- (b) nationally recognized overnight courier;
- (c) certified or registered mail, return receipt requested; or
- (d) electronic mail (email), provided the sender retains reasonable evidence of successful transmission.

23.3 Notice Addresses. Notices shall be sent to the addresses, email addresses, or other contact information identified in the Purchase Order or to such other address as either Party may designate by written Notice to the other Party.

If no specific notice address is identified in the Purchase Order, Notices to Buyer shall be sent to Buyer's Purchasing Department or such other representative designated by Buyer in writing, and Notices to Seller shall be sent to the address identified on Seller's quotation, acknowledgment, invoice, or other contract document.

23.4 Effective Date of Notice. A Notice shall be deemed effective:

- (a) upon delivery if personally delivered;
- (b) one (1) business day after delivery to a nationally recognized overnight courier;
- (c) three (3) business days after deposit in the United States Mail, postage prepaid, by certified or registered mail; or
- (d) upon transmission by email, provided no notice of delivery failure or undeliverable message is received by the sender.

If a Notice is delivered outside normal business hours or on a weekend or legal holiday at the recipient's location, the Notice shall be deemed received on the next business day.

23.5 Authorized Representatives. Each Party shall designate one or more authorized representatives to receive Notices relating to the administration of the Purchase Order. Either Party may change its designated representative by providing written Notice in accordance with this Section.

23.6 Operational Communications. Routine communications regarding scheduling, engineering, production, shipping, quality, invoicing, or other day-to-day contract administration may be conducted electronically or by other mutually acceptable means. Such communications shall not constitute formal Notice unless they expressly state that they are intended to serve as a Notice under this Section.

23.7 Survival. The provisions of this Section shall survive the expiration, completion, cancellation, or termination of the Purchase Order to the extent necessary to permit the Parties to provide Notices relating to surviving rights, obligations, claims, warranties, indemnification, dispute resolution, or other post-termination matters.

SECTION 24- GOVERNING LAW AND DISPUTES RESOLUTION

24.1 Governing Law. The Purchase Order and all matters arising out of or relating to the Purchase Order, including its formation, interpretation, performance, enforcement, and termination, shall be governed by and construed in accordance with the laws of the **State of Texas**, without regard to its conflict of law principles.

The United Nations Convention on Contracts for the International Sale of Goods (CISG) shall not apply to the Purchase Order.

24.2 Good Faith Negotiations. The Parties shall make commercially reasonable efforts to resolve any dispute, controversy, or claim arising out of or relating to the Purchase Order through good faith negotiations between authorized representatives before initiating litigation.

Subject to Section 24.2, any legal action or proceeding arising out of or relating to the Purchase Order shall be brought exclusively in the **state courts of Dallas County, Texas, or the United States District Court for the Northern District of Texas, Dallas Division, as applicable**, and each Party irrevocably submits to the exclusive jurisdiction and venue of such courts and waives any objection based on improper venue or forum non conveniens.

24.3 Venue and Jurisdiction. Subject to Section 24.2, any legal action or proceeding arising out of or relating to the Purchase Order shall be brought exclusively in the state or federal courts located in the **State of Texas**, and each Party irrevocably submits to the personal jurisdiction and venue of such courts.

24.4 Injunctive Relief. Nothing in this Section shall prevent either Party from seeking temporary, preliminary, or permanent injunctive or equitable relief from any court of competent jurisdiction to protect Confidential Information, Intellectual Property, trade secrets, or other proprietary rights where monetary damages would be an inadequate remedy.

24.5 Continued Performance. During the pendency of any dispute, Seller shall continue performing the Purchase Order in accordance with its terms unless Buyer directs otherwise in writing or the Purchase Order has been terminated in accordance with its terms.

Buyer shall continue to pay all undisputed amounts in accordance with the Purchase Order.

24.5 Continued Performance. During the pendency of any dispute, Seller shall continue performing the Purchase Order in accordance with its terms unless Buyer directs otherwise in writing or the Purchase Order has been terminated in accordance with its terms.

Buyer shall continue to pay all undisputed amounts in accordance with the Purchase Order.

24.6 Attorneys' Fees and Costs. In any legal action arising out of or relating to the Purchase Order, the prevailing Party shall be entitled to recover its reasonable attorneys' fees, court costs, and other litigation expenses, to the extent permitted by Applicable Law.

24.7 Limitation Period. To the extent permitted by Applicable Law, no legal action arising out of or relating to the Purchase Order may be commenced more than **two (2) years** after the cause of action accrues, except where a different limitation period is required by Applicable Law.

24.8 Survival. The provisions of this Section shall survive the expiration, completion, cancellation, or termination of the Purchase Order and shall apply to any dispute arising from or relating to the Purchase Order.

SECTION 25 – SURVIVAL

25.1 Survival of Obligations. The expiration, completion, cancellation, or termination of the Purchase Order shall not affect any rights, obligations, duties, or liabilities of either Party that, by their nature or by their express terms, are intended to survive such expiration or termination.

25.2 Surviving Provisions. Without limiting the generality of Section 25.1, the following provisions shall survive the expiration, completion, cancellation, or termination of the Purchase Order, to the extent applicable:

- (a) Payment obligations and rights to recover amounts due;
- (b) Inspection, acceptance, rejection, and remedies for nonconforming Goods or Services;
- (c) Warranties and warranty remedies;
- (d) Confidentiality and protection of Confidential Information;
- (e) Intellectual Property ownership, licenses, and infringement obligations;
- (f) Cybersecurity obligations, including the protection, return, or secure destruction of Buyer information;
- (g) Compliance with Applicable Laws, export control, trade compliance, and record retention requirements;
- (h) Insurance obligations applicable to claims arising from Seller's performance;
- (i) Indemnification obligations;
- (j) Limitation of Liability provisions;
- (k) Records and audit rights;
- (l) Notices relating to surviving obligations;
- (m) Governing law, jurisdiction, venue, and dispute resolution;
- (n) Any accrued rights, remedies, or causes of action existing before termination; and
- (o) Any other provision that, by its nature or express terms, is intended to survive.

25.3 No Limitation. The survival of any provision shall not limit any right or remedy available to either Party under the Purchase Order or Applicable Law.

25.4 Continuing Cooperation. Following expiration or termination, each Party shall reasonably cooperate with the other to complete any remaining obligations that survive termination, including the return of property, transition of work, transfer of documentation, resolution of outstanding claims, and compliance with legal or regulatory requirements.

The obligations set forth in this Section shall survive as provided in Section 25 – Survival.

SECTION 26- ORDER OF PRECEDENCE

26.1 Order of Precedence. In the event of any inconsistency, conflict, or ambiguity among the documents comprising the Purchase Order, the following order of precedence shall apply unless expressly stated otherwise in the Purchase Order:

- (a) The Purchase Order, including any special terms and conditions contained therein;
- (b) Written amendments or modifications executed by authorized representatives of Buyer;
- (c) Special Terms
- (d) Appendices
- (e) Specifications, statements of work, engineering requirements, quality requirements, drawings, and technical documents incorporated into the Purchase Order;
- (f) Seller Proposal (only if expressly accepted)

26.2 Seller Documents. Seller's quotations, proposals, order acknowledgments, invoices, shipping documents, website terms, click-through agreements, or other documents shall not modify, supplement, or supersede the Purchase Order or these Standard Terms and Conditions unless expressly accepted in a written amendment signed by an authorized representative of Buyer.

26.3 Interpretation. The documents comprising the Purchase Order shall be interpreted to give effect to all provisions whenever reasonably possible. If a conflict cannot be reconciled, the order of precedence set forth in this Section shall control.

The Appendices identified below are incorporated into and form a part of the Purchase Order only to the extent expressly referenced in the Purchase Order or otherwise made applicable by Buyer.

SECTION 27 – MISCELLANEOUS

27.1 Entire Agreement. The Purchase Order, including these Commercial Standard Terms and Conditions, all documents incorporated by reference, and all applicable appendices, constitutes the entire agreement between Buyer and Seller with respect to the subject matter hereof and supersedes all prior or contemporaneous negotiations, proposals, representations, understandings, and agreements, whether written or oral.

27.2 Amendments. No modification, amendment, waiver, or supplement to the Purchase Order shall be valid unless made in writing and signed by authorized representatives of both Parties, except where the Purchase Order expressly permits Buyer to issue unilateral changes.

27.3 Waiver. The failure or delay of either Party to enforce any provision of the Purchase Order shall not constitute a waiver of that provision or any other provision, nor shall any waiver be effective unless made in writing and signed by the Party granting the waiver. A waiver of any breach shall not constitute a waiver of any subsequent or continuing breach.

27.4 Severability. If any provision of the Purchase Order is held to be invalid, illegal, or unenforceable by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. The Parties shall negotiate in good faith to replace the invalid or unenforceable provision with a valid provision that most closely reflects the original intent.

27.5 Independent Contractors. The relationship of Buyer and Seller is that of independent contracting parties. Nothing contained in the Purchase Order shall be construed to create a partnership, joint venture, agency, fiduciary relationship, employment relationship, or other legal association between the Parties.

27.6 No Third-Party Beneficiaries. Except as expressly provided in the Purchase Order, nothing contained herein is intended to confer any rights or remedies upon any person or entity other than the Parties and their respective permitted successors and assigns.

27.7 Cumulative Remedies. The rights and remedies available to Buyer under the Purchase Order are cumulative and are in addition to any rights or remedies available at law or in equity. The exercise of any right or remedy shall not preclude the exercise of any other right or remedy.

27.8 Electronic Transactions. The Parties agree that the Purchase Order, acknowledgments, amendments, approvals, signatures, and other communications may be transmitted and executed electronically. Electronic signatures and electronically transmitted documents shall have the same legal force and effect as original handwritten signatures to the fullest extent permitted by Applicable Law.

27.9 Headings. Section titles and headings are provided solely for convenience and shall not affect the interpretation of the Purchase Order.

27.10 Further Assurances. Each Party shall execute and deliver such additional documents and take such further actions as may be reasonably necessary to carry out the intent and purposes of the Purchase Order.

27.11 Interpretation. The Purchase Order shall be interpreted fairly and according to its plain meaning. The rule of construction that ambiguities are to be construed against the

drafting party shall not apply. Words importing the singular include the plural, and vice versa, where the context requires. References to "including" mean "including without limitation."

27.12 Counterparts. If the Purchase Order or any amendment requires execution by both Parties, it may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together constitute one instrument.

27.13 Survival of Miscellaneous Provisions. The provisions of this Section shall survive the expiration, completion, cancellation, or termination of the Purchase Order to the extent necessary to give effect to their purpose or to enforce any surviving rights or obligations under the Purchase Order.

Documents expressly incorporated by reference into the Purchase Order form an integral part of the Agreement and shall have the same force and effect as if fully set forth herein.