

# **IPS CUSTOM AUTOMATION STANDARD TERMS AND CONDITIONS FOR PURCHASE ORDERS (GOODS & SERVICES)**

## **SECTION 1- GENERAL TERMS AND APPLICABILITY**

**1.1 Purpose.** These Standard Terms and Conditions apply to all Purchase Orders issued by IPS Custom Automation. Additional contractual requirements applicable to Purchase Orders supporting United States Government contracts, including applicable FAR, DFARS, DPAS, customer-specific, and agency supplemental requirements, shall apply only when expressly identified in the Purchase Order or incorporated by reference.

**1.2 Applicability.** These Standard Terms and Conditions ("Terms") govern every purchase of goods and/or services by IPS Custom Automation ("IPS" or "Buyer") from the supplier identified in the applicable Purchase Order ("Seller"). These Terms apply to all goods, materials, products, software, and other deliverables (collectively, "Goods") and all services, labor, or other work (collectively, "Services") furnished under any Purchase Order issued by Buyer.

Seller's acknowledgment, acceptance, commencement of performance, shipment of Goods, or provision of Services pursuant to a Purchase Order constitutes Seller's acceptance of and agreement to be bound by these Terms. Any additional, different, or conflicting terms proposed by Seller are expressly rejected unless specifically accepted in writing by an authorized representative of Buyer.

Applicable to: Commercial purchases, Commercial services, Commercial products, Commercial purchases supporting U.S. Government contracts, Non-commercial purchases when identified in the PO.

### **1.3 Definitions**

For purposes of these Standard Terms and Conditions and any Purchase Order issued by Buyer, the following terms shall have the meanings set forth below. Defined terms include the singular and plural forms, as the context requires.

**"Affiliate"** means any corporation, partnership, limited liability company, joint venture, or other legal entity that directly or indirectly controls, is controlled by, or is under common control with a Party, where "control" means ownership of fifty percent (50%) or more of the voting interests or the ability to direct the management and policies of such entity.

**"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, Government flow-down

clauses, 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.

**"Buyer Property"** means all property, materials, equipment, tooling, fixtures, dies, molds, gauges, software, technical data, documentation, drawings, specifications, intellectual property, or other assets furnished, leased, licensed, or otherwise made available by Buyer or acquired by Seller at Buyer's expense for performance of the Purchase Order. Buyer Property shall remain the sole property of Buyer unless otherwise agreed in writing.

**"COTS"** means a commercial off-the-shelf item as defined in FAR 2.101, including any applicable amendments thereto.

**"Confidential Information"** means all proprietary, confidential, technical, financial, commercial, operational, engineering, manufacturing, software, business, pricing, customer, supplier, or other non-public information disclosed by Buyer, regardless of form, including written, electronic, oral, visual, or digital information, that is designated as confidential or which reasonably should be understood to be confidential based upon its nature or the circumstances surrounding its disclosure.

**"CUI"** (Controlled Unclassified Information) means information requiring safeguarding or dissemination controls pursuant to applicable federal laws, regulations, Executive Orders, or Government-wide policies, including information designated as Controlled Unclassified Information in accordance with 32 CFR Part 2002, NIST SP 800-171, DFARS 252.204-7012, and any successor regulations.

**"Defective Product"** or **"Nonconforming Product"** means any Goods or Services that fail to conform to the requirements of the Purchase Order, applicable specifications, drawings, standards, samples, statements of work, warranties, quality requirements, applicable laws, or industry standards.

**"Deliverables"** means all Goods, Services, reports, software, firmware, documentation, manuals, certifications, inspection reports, quality records, engineering data, drawings, models, test reports, and any other item Seller is required to furnish under the Purchase Order.

**"Force Majeure Event"** means an event beyond the reasonable control of the affected Party, including acts of God, natural disasters, epidemics, pandemics, war, terrorism, civil unrest, governmental actions, labor disputes (excluding Seller's workforce disputes), or other unforeseeable events that materially prevent

performance, provided such Party complies with the notice and mitigation requirements of this Agreement.

**"Goods"** means all articles, assemblies, components, equipment, hardware, raw materials, parts, products, software, firmware, documentation, reports, supplies, packaging, labels, and other tangible or intangible deliverables, including labor incidental to manufacture or delivery, required under the Purchase Order.

**"Government"** means the United States Government, including any executive department, military department, agency, bureau, instrumentality, or other governmental authority, when applicable to the Purchase Order.

**"Government Property"** means property owned by the United States Government and furnished to Seller or acquired by Seller under circumstances where title vests in the United States Government pursuant to applicable law or regulation, including FAR Part 45 and FAR 52.245-1.

**"Intellectual Property"** means all patents, patent applications, copyrights, trademarks, trade names, trade secrets, mask works, inventions, discoveries, software, databases, know-how, technical information, processes, designs, works of authorship, and all other proprietary rights recognized under applicable law, whether registered or unregistered.

**"Objective Quality Evidence" or "OQE"** means documented evidence demonstrating that Goods or Services conform to all contractual, engineering, inspection, testing, manufacturing, and quality requirements specified by Buyer, including inspection reports, certifications, test results, material traceability, first article inspection reports, certificates of conformance, and similar quality documentation.

**"Order" or "Purchase Order"** means Buyer's written Purchase Order together with these Standard Terms and Conditions, all attachments, exhibits, statements of work, specifications, drawings, technical data, quality clauses, Government flow-down provisions, amendments, modifications, and all other documents incorporated by reference, whether issued electronically or in writing.

**"Party"** means Buyer or Seller individually. **"Parties"** means Buyer and Seller collectively.

**"Prime Contract"** means the contract between Buyer and its customer, including the United States Government or a higher-tier contractor, under which this Purchase Order is issued or supports performance.

**"Products"** means collectively the Goods, Services, Deliverables, software, documentation, and any other items Seller is obligated to furnish under the Purchase Order.

**"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.

**"Subcontractor"** means any supplier, vendor, manufacturer, consultant, distributor, subcontractor, service provider, or other third party engaged by Seller at any tier to furnish Goods or perform Services related to the Purchase Order. Seller remains fully responsible for the acts and omissions of all Subcontractors.

**"Supplier Code of Conduct"** means Buyer's written standards of business ethics, legal compliance, human rights, labor practices, environmental stewardship, health and safety, responsible sourcing, and other supplier obligations, as may be provided to Seller or incorporated by reference into the Purchase Order and amended by Buyer from time to time.

**"Technical Data"** means recorded information, regardless of form or method of recording, of a scientific or technical nature, including drawings, specifications, engineering data, process documentation, software documentation, and manufacturing information.

**"Work"** means all Goods, Services, Deliverables, documentation, reports, software, data, materials, engineering effort, manufacturing activities, inspections, testing, certifications, and all other obligations Seller is required to perform under the Purchase Order.

**"Interpretation"** Unless the context clearly requires otherwise, (a) words in the singular include the plural and words in the plural include the singular; (b) words importing any gender include all genders; (c) references to a statute, regulation, the Federal Acquisition Regulation ("FAR"), the Defense Federal Acquisition Regulation Supplement ("DFARS"), agency supplement, or industry standard include any amendments, revisions, successor provisions, or replacements thereto in effect as of the date of the Purchase Order unless expressly stated otherwise; (d) the terms "including," "includes," and "include" mean "including, without limitation"; and (e) headings are for convenience only and shall not affect the interpretation of this Purchase Order.

**"Written Notice"** means any notice, demand, request, approval, consent, or other communication required or permitted under the Purchase Order that is delivered by personal delivery, nationally recognized overnight courier, certified or registered mail (return receipt requested), or electronic mail capable of confirming transmission, to the receiving Party's designated business address or authorized representative. Unless otherwise expressly provided herein, Written Notice shall be effective upon receipt.

**1.4 Order of Precedence.** In the event of any inconsistency, conflict, ambiguity, or discrepancy between the provisions of the documents comprising this Agreement, the following order of precedence shall govern, unless expressly stated otherwise in the applicable Purchase Order:

1. The applicable **Purchase Order**, including any written amendments, modifications, or Change Orders executed by Buyer.

2. Any **Special Terms and Conditions**, Supplemental Purchase Order Requirements, Quality Clauses, or other contract-specific provisions expressly incorporated into the Purchase Order.
3. These **Standard Terms and Conditions for Purchase Orders**.
4. Any applicable **mandatory Federal Acquisition Regulation (FAR), Defense Federal Acquisition Regulation Supplement (DFARS), or other government contract flow-down clauses** incorporated by reference or required by operation of law.
5. The applicable **Statement of Work (SOW), Performance Work Statement (PWS), or Statement of Objectives (SOO)**, if any.
6. Engineering drawings, specifications, technical requirements, quality requirements, standards, approved manufacturing plans, or other technical documentation incorporated into the Purchase Order.
7. Approved samples, models, prototypes, or first article requirements, when specifically identified in the Purchase Order.
8. Seller's final written proposal, quotation, or offer, but only to the extent expressly incorporated into the Purchase Order and only to the extent it does not conflict with any higher-order document.

Seller's final written proposal, quotation, or offer, but only to the extent expressly incorporated into the Purchase Order and only to the extent it does not conflict with any higher-order document.

**1.5 Entire Agreement. This Purchase Order includes all documents expressly incorporated by reference, including any applicable Government contract requirements and flow-down provisions expressly identified in or incorporated into the Purchase Order, as each may be amended by Buyer in accordance with this Agreement. No course of dealing, course of performance, usage of trade, prior business practice, or industry custom shall be used to modify, supplement, or interpret the express terms of this Purchase Order except to the extent expressly agreed to in writing by Buyer.**

Any terms or conditions contained in Seller's quotation, proposal, acknowledgment, invoice, packing slip, catalog, website, click-through agreement, shrink-wrap agreement, or any other Seller-generated document that are inconsistent with, additional to, or different from this Purchase Order are expressly rejected and shall be of no force or effect unless specifically accepted in writing by an authorized representative of Buyer. Buyer's acceptance of Goods or Services, payment of invoices, or failure to object to any Seller document shall not constitute acceptance of any such additional or conflicting terms.

If any provision of this Purchase Order is determined to be invalid or unenforceable by a court or tribunal of competent jurisdiction, the remaining

provisions shall remain in full force and effect to the fullest extent permitted by applicable law.

These Standard Terms and Conditions, the Purchase Order, and all documents expressly incorporated by reference, including any applicable Government contract requirements and flow-down provisions, the Statement of Work (if applicable), specifications, drawings, quality requirements, and Buyer's Supplier Code of Conduct, if provided or incorporated by reference, constitute the entire agreement between Buyer and Seller regarding the subject matter of the Purchase Order and supersede all prior or contemporaneous proposals, negotiations, representations, understandings, or agreements, whether oral or written.

**1.6 Amendment and Waiver.** No amendment, modification, supplement, change, waiver, or release of any provision of this Purchase Order shall be valid or binding unless set forth in a written instrument expressly identifying the provision(s) being modified and signed by an authorized representative of Buyer. No oral statement, course of conduct, electronic communication, or acceptance of Goods or Services shall constitute an amendment or modification of this Purchase Order unless expressly approved in writing by Buyer.

Buyer reserves the right to amend the Purchase Order in accordance with the Changes clause contained herein. Seller shall not implement any change affecting the scope of Work, specifications, drawings, quality requirements, schedule, delivery, price, manufacturing location, materials, processes, tooling, or Subcontractors without Buyer's prior written authorization.

No failure, delay, or partial exercise by Buyer of any right, remedy, power, or privilege under this Purchase Order shall operate as or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power, or privilege preclude any other or further exercise of that or any other right, remedy, power, or privilege.

A waiver of any breach, default, or noncompliance shall be effective only with respect to the specific matter expressly identified in the written waiver and shall not constitute a continuing waiver or a waiver of any subsequent or different breach, default, or obligation under this Agreement.

The rights and remedies provided in this Purchase Order are cumulative and are in addition to any other rights or remedies available to Buyer at law, in equity, or under applicable statute.

## **SECTION 2- ACCEPTANCE OF ORDERS**

**2.1 Offer and Acceptance.** Each Purchase Order issued by Buyer constitutes Buyer's offer to purchase the Goods and/or Services identified therein, subject exclusively to the Purchase Order, these Standard Terms and Conditions, and any documents expressly incorporated by reference. No contract shall exist until Seller accepts the Purchase Order.

Seller shall be deemed to have accepted the Purchase Order upon the earliest occurrence of any of the following:

- a. Seller's written acknowledgment or acceptance of the Purchase Order;
- b. Seller's commencement of performance of any portion of the Purchase Order;
- c. Seller's shipment or delivery of any Goods;
- d. Seller's performance of any Services;
- e. Seller's acceptance of any payment under the Purchase Order; or
- f. Any other conduct by Seller indicating acceptance of the Purchase Order.

Upon acceptance, the Purchase Order shall constitute a binding agreement between Buyer and Seller.

**2.2 Acknowledgment of Purchase Order.** Unless otherwise specified in the Purchase Order, Seller shall acknowledge receipt and acceptance of the Purchase Order in writing within **five (5) business days** after receipt.

Failure to provide written acknowledgment shall not affect the validity of Seller's acceptance if Seller otherwise accepts the Purchase Order under Section 2.1.

Buyer may withdraw or cancel the Purchase Order without liability at any time before Seller's acceptance.

**2.3 Additional or Conflicting Terms.** Buyer expressly rejects any additional, inconsistent, or conflicting terms contained in Seller's quotation, proposal, acknowledgment, invoice, confirmation, website, catalog, or other Seller document.

No such terms shall become part of the Purchase Order unless expressly accepted in writing by an authorized representative of Buyer. Buyer's payment, inspection, acceptance of Goods or Services, or failure to object shall not constitute acceptance of Seller's terms.

**2.4 Seller Performance.** Seller acknowledges that Buyer issues the Purchase Order in reliance upon Seller's agreement to furnish conforming Goods and Services in accordance with the Purchase Order, including applicable specifications, delivery requirements, quality requirements, and any documents incorporated by reference.

Seller shall promptly notify Buyer in writing of any circumstance that may materially affect Seller's ability to perform the Purchase Order.

**2.5 Buyer Acceptance.** Buyer's inspection, testing, payment for, or acceptance of Goods or Services shall not constitute a waiver of any rights or remedies and shall

not relieve Seller of its obligations under the Purchase Order, including warranties or responsibility for nonconforming Goods or Services.

**2.6 Authority.** Seller represents that the individual accepting or performing under the Purchase Order has the authority to bind Seller. Seller remains responsible for the acts and omissions of its employees, agents, and subcontractors in connection with the performance of the Purchase Order.

Acceptance of this Purchase Order constitutes Seller's agreement to be bound by the Purchase Order, these Standard Terms and Conditions, and any applicable Government contract requirements and flow-down provisions expressly identified in or incorporated into the Purchase Order, together with any specifications, drawings, statements of work, or other documents expressly incorporated by reference into the Purchase Order.

## **SECTION 3 – SCOPE OF WORK**

**3.1 General Scope.** Seller shall furnish all Goods, Services, labor, materials, equipment, documentation, and other deliverables necessary to perform the Purchase Order in accordance with its terms and all documents incorporated by reference, including applicable specifications, drawings, statements of work, technical requirements, and written instructions issued by Buyer.

**3.2 Standard of Performance.** Seller shall perform the Work in a timely, safe, professional, and workmanlike manner using qualified personnel and in accordance with recognized industry standards, applicable laws, and the requirements of the Purchase Order. Seller shall maintain adequate personnel, equipment, facilities, and resources necessary to perform the Work. Seller shall maintain sufficient personnel, facilities, equipment, production capacity, and other resources necessary to perform the Work without interruption.

**3.3 Seller Responsibility.** Seller is responsible for the means, methods, quality, and performance of the Work and shall ensure that all Goods and Services conform to the Purchase Order. Seller shall promptly notify Buyer in writing of any ambiguity, discrepancy, conflict, or omission affecting performance before proceeding with the affected Work.

**3.4 Changes.** Seller shall not modify, substitute, omit, or otherwise change the Goods, Services, or scope of the Work without Buyer's prior written authorization.

## **SECTION 4- PRICING AND PAYMENTS TERMS**

**4.1 Firm Fixed Pricing.** Unless otherwise expressly stated in the Purchase Order, all prices are firm and fixed and include all labor, materials, supervision, equipment, packaging, transportation (unless otherwise specified), taxes (except those from which Buyer is exempt), overhead, profit, and all other costs necessary to perform the Purchase Order. Seller shall not impose any surcharge,

administrative fee, tariff, fuel adjustment, or other additional charge unless expressly approved in writing by Buyer.

**4.2 Price Warranty.** Seller warrants that the prices charged under the Purchase Order are no less favorable than those offered to other customers purchasing substantially similar Goods or Services under comparable quantities and conditions. If Seller offers lower pricing or more favorable commercial terms during the performance of the Purchase Order, Seller shall promptly extend the same pricing or terms to Buyer. If Seller offers lower prices or more favorable commercial terms to another customer before completion of the Purchase Order, Seller shall immediately extend the same pricing and terms to Buyer.

**4.3 Invoices.** Seller shall submit accurate and complete invoices only after shipment of Goods, completion of Services, or achievement of approved milestone(s), as applicable.

Each invoice shall include, at a minimum:

- Buyer's Purchase Order number;
- Invoice number and invoice date;
- Seller's legal name and remittance address;
- Description of the Goods and/or Services provided;
- Quantity shipped or Services performed;
- Unit prices and extended totals;
- Applicable taxes separately identified;
- Required shipping, quality, inspection, or acceptance documentation;

Buyer may require electronic invoicing through its designated procurement or accounting system

Invoices that are incomplete, inaccurate, or unsupported by required documentation may be rejected and returned without payment until corrected.

**4.4 Payment.** Unless otherwise specified in the Purchase Order, Buyer shall pay all properly submitted and undisputed invoices within **thirty (30) calendar days** after the later of:

- (a) receipt of a proper invoice; or
- (b) acceptance of the applicable Goods or Services.

Payment shall not constitute acceptance of Goods or Services or waive any right or remedy available under the Purchase Order or applicable law.

**4.5 Disputed Amounts and Setoff.** Buyer may withhold payment of any disputed amount pending resolution of the dispute and may deduct or offset amounts owed by Seller arising from the Purchase Order, including overpayments, shortages, warranty claims, back charges, nonconforming Goods or Services, indemnification obligations, or other contractual liabilities. Seller shall continue performance during any payment dispute unless otherwise directed by Buyer.

**4.6 Changes in Pricing.** Seller shall not increase prices or request additional compensation without Buyer's prior written approval. Any approved price adjustment shall be made in accordance with the Changes clause of the Purchase Order.

**4.7 Audit and Records.** When required by the Purchase Order or applicable Government contract requirements, Buyer, its customer, or authorized Government representatives may examine records reasonably necessary to verify Seller's compliance with the Purchase Order. Seller shall retain such records for the period required by applicable law, the Purchase Order, or applicable flow-down requirements.

**4.8 Advance Payments.** Buyer shall have no obligation to make advance, deposit, or progress payments unless expressly authorized in writing. Any such payment shall not constitute acceptance of the Goods or Services.

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

**4.10 Assignment of Payment Rights.** Seller shall not assign or otherwise transfer any right to payment under the Purchase Order without Buyer's prior written consent, except as otherwise required by applicable law.

## **SECTION 5 – SHIPPING, PACKAGING, MARKING, AND DELIVERY**

**5.1 General Requirements:** Seller shall package, preserve, mark, label, and ship all Goods in accordance with the Purchase Order, applicable specifications, recognized commercial practices, applicable laws, and industry standards to ensure safe transportation, handling, storage, and delivery. Seller is responsible for any loss, damage, shortages, or additional costs resulting from its failure to comply with these requirements.

**5.2 Packaging and Preservation.** Unless otherwise specified in the Purchase Order, Seller shall package and preserve the Goods using recognized commercial practices and industry standards appropriate for the Goods, protecting them from damage, deterioration, corrosion, contamination, electrostatic discharge (ESD), moisture, vibration, shock, and other foreseeable transportation or storage conditions. Seller shall comply with all packaging, preservation, and handling requirements specified in the Purchase Order, with such requirements taking precedence over Seller's standard practices.

**5.3 Marking and Identification.** Seller shall clearly and permanently mark each shipment, package, pallet, crate, container, or item, as applicable, with all information required by the Purchase Order, including the Purchase Order number, part number and revision (if applicable), description, quantity, lot or serial number, country of origin (when required), shelf-life or expiration information (when applicable), hazard warnings, and any other markings required by the Purchase Order.

Markings shall remain legible throughout transportation and storage.

#### **5.4 Packing Lists and Shipping Documentation**

Each shipment shall include a packing list identifying the Purchase Order number, line item, description, quantity, unit of measure, and any required lot or serial numbers. Seller shall also provide all documentation required by the Purchase Order, including Certificates of Conformance, inspection or test reports, material certifications, objective quality evidence (OQE), Safety Data Sheets (SDS), export documentation, or other required records.

**5.5 Shipping Instructions.** Seller shall comply with all routing, carrier, freight, delivery, and shipping instructions identified in the Purchase Order. Seller shall not deviate from such instructions without Buyer's prior written approval and shall be responsible for any resulting additional costs.

**5.6 Delivery Requirements.** Time is of the essence. Seller shall deliver all Goods and perform all Services in accordance with the delivery schedule specified in the Purchase Order. Seller shall immediately notify Buyer of any actual or anticipated delay in accordance with Section 6. Such notice shall not relieve Seller of its contractual obligations or constitute Buyer's acceptance of the delay.

Seller shall not make early deliveries or partial shipments without Buyer's prior written approval unless expressly authorized in the Purchase Order. Buyer may reject, return, or hold unauthorized shipments at Seller's expense.

Seller shall provide notice of any actual or anticipated delivery delay in accordance with **Section 6 – Delivery Delays** and **Section 22 – Notices**.

**5.7 Title and Risk of Loss.** Unless otherwise specified in the Purchase Order, title to the Goods shall pass to Buyer upon Buyer's acceptance. Risk of loss or damage shall remain with Seller until the Goods have been delivered to the specified destination and accepted by Buyer. Transfer of title or risk of loss shall not affect Seller's warranty or other contractual obligations.

Buyer may reject, return, or hold unauthorized early or partial shipments at Seller's sole expense and risk.

**5.8 Freight and Premium Transportation.** Unless otherwise specified in the Purchase Order, shipments shall be made in accordance with the freight terms stated in the Purchase Order. Seller shall not invoice Buyer for freight, handling, packaging, insurance, or related charges unless expressly authorized. Premium or expedited transportation shall not be used without Buyer's prior written approval;

however, any premium transportation required due to Seller's failure to meet delivery requirements shall be at Seller's sole expense.

**5.9 Hazardous Materials.** Seller shall package, label, transport, and document hazardous materials in accordance with applicable law and the Purchase Order. When applicable, Seller shall provide current Safety Data Sheets (SDS) and all required shipping documentation.

## **SECTION 6.1- DELIVERY DELAYS**

**6.1 Time is of the Essence.** Time is of the essence in Seller's performance of the Purchase Order. Seller shall deliver all Goods and perform all Services in strict accordance with the delivery dates, milestones, and schedules specified in the Purchase Order.

Delays resulting from a qualifying Force Majeure Event shall be governed exclusively by **Section 17 – Force Majeure**. Except as expressly provided in Section 17, no delay in Seller's performance shall be excused, and Seller shall remain responsible for meeting the delivery requirements of the Purchase Order.

**6.2 Notice of Delay.** Seller shall immediately notify Buyer in writing upon becoming aware of any actual or anticipated event that may delay or impair Seller's ability to meet any contractual delivery date or performance milestone.

Such notice shall include, at a minimum:

- a. The cause of the delay;
- b. The affected Purchase Order line item(s);
- c. The anticipated duration of the delay;
- d. The expected impact on delivery or performance;
- e. Seller's proposed corrective actions; and
- f. A recovery schedule identifying the actions Seller will take to minimize or eliminate the delay.

Seller shall provide updated status reports as reasonably requested by Buyer until normal performance has resumed.

**6.3 Recovery Plan.** Upon Buyer's request, Seller shall promptly prepare and implement a written recovery plan designed to restore compliance with the contractual delivery schedule. Unless otherwise approved by Buyer in writing, Seller shall bear all costs associated with implementing the recovery plan, including overtime, additional shifts, supplemental labor, expedited procurement, or increased production capacity.

**6.4 Excusable Delays.** Seller shall not be liable for delays caused solely by a Force Majeure Event as defined Section 17 – Force Majeure, provided that Seller:

- a. Promptly notifies Buyer in writing;

- b. Uses commercially reasonable efforts to mitigate the effects of the delay;
- c. Continues performance to the maximum extent reasonably possible; and
- d. Resumes full performance as soon as the Force Majeure Event has ceased.

Material shortages, labor shortages, supplier failures, production capacity limitations, equipment breakdowns, financial difficulties, transportation issues that could reasonably have been avoided, or Subcontractor delays shall not constitute excusable delays unless specifically approved by Buyer in writing or directly caused by a Force Majeure Event.

**6.5 Buyer's Remedies.** If Seller fails to deliver conforming Goods or complete Services within the time required by the Purchase Order, Buyer may, in addition to any other rights or remedies available under the Purchase Order or applicable law:

- a. Require Seller to implement a corrective action plan;
- b. Purchase substitute Goods or Services from alternate sources and charge Seller for any excess costs incurred;
- c. Require Seller to reimburse Buyer for premium freight, expediting costs, administrative expenses, production disruptions, or other reasonable costs resulting from the delay;
- d. Reject delayed shipments;
- e. Suspend performance pending corrective action; or
- f. Terminate the Purchase Order, in whole or in part, in accordance with Section 16 – Termination.

The exercise of any remedy shall not constitute an election of remedies or limit Buyer's right to pursue any additional contractual or legal remedies.

**6.6 Continued Performance.** Pending resolution of any delay, dispute, or request for equitable adjustment, Seller shall continue diligent performance of the Purchase Order unless otherwise directed in writing by Buyer.

**6.7 Waiver.** Buyer's acceptance of a late delivery, partial shipment, or delayed performance shall not constitute a waiver of any delivery requirement or any other rights or remedies available under this Agreement.

## **SECTION 7- INSPECTION, TESTING, ACCEPTANCE, AND RECORD RETENTION**

**7.1 Seller Quality Responsibilities.** Seller shall maintain an effective quality management system appropriate for the Goods and Services provided and maintain objective evidence demonstrating conformity with all contractual, engineering, regulatory, and quality requirements. Seller shall comply with Section 11 – Compliance with Laws.

**7.2 Right of Inspection and Access.** Seller shall provide Buyer, Buyer's customer, regulatory authorities, and, where applicable, authorized representatives of the United States Government, reasonable access during normal business hours and upon reasonable notice to Seller's facilities, applicable subcontractor facilities, personnel, equipment, Work, quality management system, manufacturing and inspection processes, and records relating to the performance of the Purchase Order.

Such access may include inspection, surveillance, verification, audit, witness of testing, review of records, and evaluation of Seller's compliance with the Purchase Order and applicable contractual, regulatory, and quality requirements.

Seller shall flow down the applicable requirements of this Section to lower-tier subcontractors performing Work under the Purchase Order.

The exercise or failure to exercise any inspection, audit, surveillance, verification, or access rights by Buyer, Buyer's customer, or the Government shall not:

- a. constitute acceptance of the Goods or Services;
- b. relieve Seller of any obligation under the Purchase Order;
- c. waive any rights or remedies available to Buyer; or
- d. limit Seller's responsibility for providing conforming Goods and Services.

**7.3 Source Inspection.** When source inspection is required by the Purchase Order, Seller shall provide Buyer with reasonable advance notice sufficient to permit inspection before shipment. Seller shall not ship Goods requiring source inspection until Buyer, Buyer's customer, or Government representatives have completed the required inspection or have otherwise authorized shipment in writing.

**7.4 Inspection and Testing.** Seller shall perform all inspections and testing required by the Purchase Order, applicable specifications, drawings, industry standards, regulatory requirements, and Seller's quality management system.

Seller shall maintain complete inspection and test records and shall provide such records to Buyer upon request.

**7.5 Acceptance.** Final acceptance of Goods or Services shall occur only after Buyer has completed such inspection, testing, evaluation, or verification as Buyer considers appropriate.

Payment, use, installation, resale, or incorporation of Goods into Buyer's products shall not constitute acceptance nor waive Buyer's right to reject nonconforming Goods or Services.

**7.6 Rejection of Nonconforming Goods or Services.** Buyer may reject any Goods or Services that fail to comply with the Purchase Order, applicable specifications, drawings, quality requirements, warranties, regulatory requirements, or other contractual obligations.

At Buyer's election, Seller shall promptly:

- a. Repair the nonconforming Goods;
- b. Replace the nonconforming Goods;
- c. Re-perform the nonconforming Services; or
- d. Refund all amounts paid by Buyer.

Seller shall bear all costs associated with removal, replacement, reinspection, retesting, transportation, packaging, and any other expenses arising from nonconforming Goods or Services.

**7.7 Corrective Action.** Upon Buyer's request, Seller shall investigate any nonconformance and submit a written corrective action report within the time specified by Buyer.

The corrective action report shall identify:

- a. Root cause analysis;
- b. Containment actions;
- c. Corrective actions implemented;
- d. Preventive actions; and
- e. Verification of effectiveness.

Seller shall implement all approved corrective actions at no additional cost to Buyer.

**7.8 Record Retention.** Seller shall maintain complete and accurate records relating to the Purchase Order, including quality records, inspection reports, test results, certifications, calibration records, material traceability, corrective action records, and other documentation required by the Purchase Order.

Unless a longer period is required by the Purchase Order, applicable law, or applicable Government contract requirements expressly identified in or incorporated into the Purchase Order, Seller shall retain such records for a minimum of seven (7) years after final payment or final delivery, whichever occurs later.

Records shall be maintained in a manner that preserves their authenticity, integrity, and retrievability and shall be made available to Buyer upon reasonable request.

**7.9 Counterfeit and Suspect Material.** Seller shall maintain documented procedures to prevent the use or delivery of counterfeit, suspect counterfeit, or otherwise fraudulent Goods. Upon request,

Seller shall provide evidence of product authenticity, traceability to the original manufacturer or authorized source, and compliance with applicable counterfeit material prevention requirements.

**7.10 Nonconformance Notification.** Seller shall immediately notify Buyer in writing upon discovery of any actual or suspected nonconformance that may affect previously delivered Goods or Services. Seller shall not ship any known nonconforming Goods without Buyer's prior written authorization.

**7.12 No Limitation of Liability.** No inspection, audit, review, approval, acceptance, payment, or failure to inspect by Buyer shall relieve Seller of any obligation, warranty, or liability under the Purchase Order or applicable law, nor limit Buyer's rights or remedies regarding latent defects, fraud, gross mistakes amounting to fraud, or nonconforming Goods or Services.

## **SECTION 8- WARRANTIES**

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

- a. Strictly conform to all requirements of the Purchase Order, including all specifications, drawings, technical data, statements of work, quality requirements, approved samples, and other contractual documents;
- b. Be new, free from defects in design (to the extent Seller is responsible for the design), material, workmanship, and manufacture;
- c. Be merchantable and fit for their intended purpose and any particular purpose made known to Seller by Buyer;
- d. Be manufactured, supplied, and performed in accordance with recognized industry standards and best commercial practices;
- e. Comply with all applicable federal, state, local, and international laws, regulations, codes, and governmental requirements; and
- f. Be free of liens, encumbrances, security interests, or other claims by third parties.

**8.2 Warranty of Services.** Seller warrants that all Services shall be performed:

- a. In a timely, safe, professional, and workmanlike manner;
- b. By qualified, properly trained, and competent personnel;
- c. Using qualified personnel, appropriate methods, equipment, and materials;
- d. In accordance with applicable professional standards, engineering practices, and industry requirements; and
- e. In full compliance with the Purchase Order and all applicable laws and regulations.

If any Services fail to meet these requirements, Seller shall promptly re-perform the Services or otherwise correct the deficiencies at no additional cost to Buyer.

**8.3 Design Warranty.** To the extent Seller is responsible for the design of any Goods or Services, Seller warrants that the design shall be free from defects and suitable for its intended purpose.

Seller shall remain responsible for all design errors, omissions, incompatibilities, and deficiencies regardless of Buyer's review, approval, inspection, testing, or acceptance of design documents.

**8.4 Warranty Period.** Unless otherwise specified in the Purchase Order or required by applicable law or applicable Government contract requirements expressly identified in or incorporated into the Purchase Order, the warranty period shall commence upon Buyer's final acceptance and continue for the longer of:

- a. Twenty-four (24) months after final acceptance;
- b. Eighteen (18) months after installation or first operational use by Buyer or Buyer's customer; or
- c. Seller's standard commercial warranty period.

Any repaired, replaced, or corrected Goods or Services shall be warranted for the greater of:

- i. The remainder of the original warranty period; or
- ii. Twelve (12) months following Buyer's acceptance of the repaired, replaced, or corrected Goods or Services.

**8.5 Correction of Defects.** Upon notification by Buyer of any defect, deficiency, or nonconformance during the warranty period, Seller shall, at Buyer's election and without additional cost to Buyer:

- a. Repair the affected Goods;
- b. Replace the affected Goods;
- c. Re-perform the affected Services;
- d. Refund the purchase price; or
- e. Reimburse Buyer for the reasonable cost of correcting the deficiency.

Seller shall bear all associated costs, including removal, reinstallation, testing, inspection, transportation, packaging, labor, travel, and administrative expenses.

**8.6 Nonexclusive Remedies.** If Seller fails to promptly correct any warranty deficiency within a reasonable period specified by Buyer, Buyer may perform or procure the required corrective action from another source.

Seller shall reimburse Buyer for all reasonable costs and expenses incurred in connection with such corrective action. The exercise of this right shall not limit any other rights or remedies available to Buyer under the Purchase Order.

**8.7 Counterfeit Parts and Material Warranty.** Seller warrants that all Goods furnished under the Purchase Order are genuine and obtained from the original manufacturer or an authorized source unless otherwise approved in writing by Buyer. Seller shall maintain documented counterfeit prevention and traceability procedures appropriate to the Goods supplied and, upon request, provide evidence of product authenticity and traceability.

**8.8 Regulatory Compliance Warranty.** Seller warrants compliance with all applicable federal, state, local, international, contractual, and regulatory requirements applicable to the Goods or Services.

Seller warrants compliance with **Section 11 – Compliance with Laws** and all applicable legal and regulatory requirements.

**8.9 Software Warranty.** To the extent software or firmware is furnished under the Purchase Order, Seller warrants that such software or firmware shall:

- a. Perform in accordance with all applicable specifications;
- b. Be free from viruses, malware, malicious code, time bombs, backdoors, or other unauthorized functionality;
- c. Not knowingly infringe upon any third-party intellectual property rights; and
- d. Include all applicable licenses necessary for Buyer's intended use as identified in the Purchase Order.

**8.10 Warranty Against Intellectual Property Infringement.** Seller warrants that the manufacture, sale, licensing, delivery, or use of the Goods or Services furnished under the Purchase Order does not infringe or misappropriate any patent, copyright, trademark, trade secret, or other intellectual property right of any third party.

Seller shall promptly defend, indemnify, and hold harmless Buyer from any claim arising out of an alleged infringement in accordance with Section 13 – Indemnification.

**8.11 Assignment of Manufacturer Warranties.** Seller shall assign to Buyer, to the fullest extent permitted, all manufacturers', suppliers', subcontractors', and licensors' warranties applicable to the Goods furnished under the Purchase Order.

Nothing contained herein shall relieve Seller of its own warranty obligations.

**8.12 Survival of Warranty Obligation.** The warranties contained in this Section shall survive inspection, testing, acceptance, payment, delivery, transfer of title, expiration, completion, or termination of the Purchase Order.

No inspection, audit, approval, payment, acceptance, or failure to inspect by Buyer shall relieve Seller of any warranty obligation or other liability arising under this Purchase Order or applicable law.

Termination or expiration of the Purchase Order shall not relieve Seller of any warranty obligations applicable to Goods delivered or Services performed before termination.

**8.13 Cumulative Rights and Remedies.** The warranties provided in this Purchase Order are cumulative and are in addition to all warranties, rights, and remedies available to Buyer under applicable law, equity, the Uniform Commercial Code, the Purchase Order, or any other agreement between the Parties.

No limitation contained in Seller's commercial warranty, catalog, quotation, website, invoice, acknowledgment, or other document shall diminish or modify the warranties provided under the Purchase Order, applicable law, including the Uniform Commercial Code where applicable, and any other agreement between the Parties.

**Disclaimer of Seller Limitations.** Any limitation, disclaimer, or exclusion of warranty contained in Seller's quotation, acknowledgment, invoice, catalog, website, standard terms, or other document shall be void and of no effect unless expressly accepted in writing by an authorized representative of Buyer.

## **SECTION 9- GOVERNMENT CONTRACT REQUIREMENTS AND FLOW-DOWN PROVISIONS**

**9.1 Applicability.** To the extent the Purchase Order supports a United States Government prime contract or subcontract, Seller shall comply with all applicable federal statutes, regulations, executive orders, agency supplements, contractual requirements, and mandatory flow-down provisions expressly identified in or incorporated into the Purchase Order.

**9.2 Incorporation of Government Contract Clauses.** Applicable FAR, DFARS, agency supplemental, and other Government contract clauses shall apply only to the extent expressly identified in or incorporated into the Purchase Order, or otherwise required by applicable law.

Unless otherwise stated, references within incorporated clauses to the "Government," "Contracting Officer," "Contractor," or similar terms shall be interpreted to mean Buyer or Seller, as appropriate, to preserve the intended contractual relationship, except where the context clearly requires otherwise.

In the event of any conflict between this Section and an applicable FAR, DFARS, agency supplemental, or other Government contract clause expressly identified in or incorporated into the Purchase Order, the applicable Government contract clause shall govern to the extent required by law.

**9.3 Mandatory Flow-Down Requirements.** Seller shall comply with all applicable FAR, DFARS, agency supplemental clauses, and other Government contractual requirements expressly identified in or incorporated into the Purchase Order, or required by operation of law.

Seller shall flow down all applicable Government contract requirements to lower-tier subcontractors performing Work under the Purchase Order and shall remain responsible for their compliance.

**9.4 Prime Contract.** Seller shall perform the Work in a manner that enables Buyer to satisfy its obligations under the applicable Prime Contract.

To the extent applicable to Seller's scope of Work, Seller shall comply with all technical, quality, schedule, reporting, cybersecurity, security, property management, traceability, inspection, audit, and record retention requirements applicable to Buyer under the Prime Contract.

Buyer shall, upon Seller's written request, identify those Prime Contract provisions applicable to Seller's performance to the extent permitted by applicable law and contractual restrictions.

**9.5 Changes to Government Requirements.** Seller acknowledges that federal procurement regulations, agency supplements, and Prime Contract requirements may change during performance of the Purchase Order.

Buyer may issue written modifications necessary to incorporate revised or additional Government requirements, mandatory flow-down clauses, or customer-directed contractual provisions.

Seller shall promptly negotiate any equitable adjustment in price or schedule, if warranted, resulting solely from such modification. Seller shall continue performance pending resolution of any requested adjustment unless otherwise directed by Buyer.

**9.6 Government Property.** When Government Property is furnished to Seller or acquired under the Purchase Order, Seller shall establish and maintain a property management system meeting the requirements of applicable federal regulations, including FAR Part 45 and FAR 52.245-1, where applicable.

Seller shall use Government Property solely for performance of the Purchase Order and shall not alter, dispose of, relocate, or substitute such property without Buyer's prior written approval.

**9.7 Truthfulness and Accuracy of Information.** Seller warrants that all certifications, representations, reports, invoices, and submissions are complete, current, and accurate.

**9.8 Domestic Preference Requirements.** When specified in the Purchase Order or applicable Prime Contract, Seller shall comply with all domestic source restrictions and preference requirements, including, as applicable, the Buy American Act, the Berry Amendment, specialty metals restrictions, and other statutory sourcing requirements.

Seller shall maintain documentation sufficient to demonstrate compliance and shall provide such documentation to Buyer upon request.

**9.9 Cybersecurity and Controlled Unclassified Information.** Where Seller has access to Controlled Unclassified Information (CUI), Federal Contract Information (FCI), or other protected Government information, Seller shall comply with Section 14 – Cybersecurity and all additional cybersecurity requirements expressly identified in or incorporated into the Purchase Order, including applicable FAR, DFARS, NIST, or CMMC requirements.

**9.10 Notification of Organizational or Regulatory Changes.** Seller shall promptly notify Buyer in writing of any event that could materially affect Seller's ability to perform the Purchase Order, including, but not limited to:

- a. Suspension or debarment proceedings;
- b. Criminal investigations involving Government contracts;
- c. Bankruptcy or insolvency;
- d. Loss of required certifications or approvals;
- e. Significant changes in ownership or organizational structure;
- f. Loss of quality system certification; or
- g. Any Government action materially affecting Seller's ability to perform.

**9.11 Survival.** Seller's obligations under this Section shall survive completion, expiration, termination, or final payment of the Purchase Order to the extent required by applicable law or applicable Government contract requirements expressly identified in or incorporated into the Purchase Order.

**9.12 Communications with Government Representatives.** Except as otherwise required by applicable law or expressly authorized in writing by Buyer, Seller shall not communicate directly with the United States Government, Buyer's customer, or any higher-tier contractor concerning the Purchase Order, the applicable Prime Contract, technical requirements, contractual matters, requests for equitable adjustment, claims, or disputes without Buyer's prior written consent.

Nothing in this Section shall prohibit Seller from communicating directly with Government representatives regarding matters required by law, regulation, mandatory reporting obligations, or authorized Government audits or investigations.

**9.13 Certifications and Representations.** Upon Buyer's request, Seller shall promptly provide current certifications, representations, and supporting documentation demonstrating compliance with applicable Government contract requirements, including, as applicable, small business status, domestic sourcing requirements, cybersecurity compliance, quality certifications, ethics certifications, and any other information reasonably requested by Buyer or required under the Purchase Order or applicable Government contract requirements expressly identified in or incorporated into the Purchase Order.

## **SECTION 10- SUBCONTRACTING, ASSIGNMENT, AND SUPPLY CHAIN MANAGEMENT**

**10.1 Seller Responsibility.** Seller shall remain fully responsible for the performance of all obligations under the Purchase Order, including all Work

performed by its employees, agents, consultants, affiliates, suppliers, and Subcontractors. No subcontract, delegation, assignment, or outsourcing of any portion of the Work shall relieve Seller of any obligation or liability under this Agreement.

Seller shall remain fully responsible for the acts, omissions, performance, and compliance of all lower-tier subcontractors and suppliers engaged in performing the Purchase Order.

**10.2 Approval of Subcontractors.** Seller shall not subcontract, transfer, delegate, or otherwise assign the performance of any material portion of the Work without Buyer's prior written consent where such consent is required by the Purchase Order or applicable Prime Contract requirements.

Buyer's approval of any Subcontractor shall not relieve Seller of any contractual responsibility or create any contractual relationship between Buyer and the Subcontractor.

**10.3 Flow-Down Requirements.** Seller shall flow down all applicable provisions of the Purchase Order, these Terms and Conditions, and applicable Government contract requirements expressly identified in or incorporated into the Purchase Order to lower-tier subcontractors performing Work under the Purchase Order. Seller shall ensure compliance with all applicable contractual, technical, quality, regulatory, and Government contract requirements and remain responsible for administering and enforcing such requirements.

**10.4 Supplier Responsibility for Lower-Tier Performance.** Seller shall ensure that no subcontract or purchase order issued to a lower-tier supplier conflicts with or diminishes Seller's obligations under the Purchase Order.

**10.5 Approved Sources.** Where Buyer specifies approved manufacturers, suppliers, distributors, processors, laboratories, or special process providers, Seller shall procure Goods and Services only from those approved sources unless Buyer provides prior written authorization for an alternate source.

Seller shall maintain objective evidence demonstrating compliance with all approved source requirements and shall provide such documentation upon Buyer's request.

**10.6 Changes to Suppliers.** Seller shall not change any approved manufacturer, Subcontractor, supplier, manufacturing location, special process provider, raw material source, software provider, or other critical source affecting the Goods or Services without Buyer's prior written approval whenever such approval is required by the Purchase Order or applicable specifications.

Seller shall promptly notify Buyer of any proposed supplier change that could affect quality, performance, form, fit, function, reliability, traceability, regulatory compliance, or delivery.

Any approved supplier change shall be processed in accordance with Section 18 – Changes.

**10.7 Supplier Quality Management.** Seller shall maintain a supplier management program appropriate to the Goods and Services provided to ensure lower-tier suppliers comply with applicable contractual, technical, quality, and regulatory requirements. Upon Buyer's request, Seller shall provide evidence of such compliance.

Such program shall include supplier qualification, performance monitoring, risk assessment, corrective action management, periodic evaluations, and verification of flow-down compliance.

Upon request, Seller shall provide Buyer with records demonstrating implementation of its supplier management program.

**10.8 Counterfeit Material Prevention.** Seller shall ensure lower-tier suppliers comply with the counterfeit prevention requirements of Section 8 – Warranties and any applicable Government contract requirements expressly identified in or incorporated into the Purchase Order.

**10.9 Foreign Sourcing.** Seller shall notify Buyer in writing before utilizing any foreign supplier, manufacturer, processor, or service provider when the Goods or Services are subject to domestic source restrictions, export control regulations, security requirements, or other contractual limitations.

Seller shall comply with all domestic sourcing and foreign procurement restrictions expressly identified in or incorporated into the Purchase Order.

**10.10 Assignment.** Seller shall not assign, transfer, delegate, pledge, or otherwise convey any rights, interests, obligations, or claims arising under the Purchase Order, whether voluntarily, involuntarily, by operation of law, merger, acquisition, change of control, or otherwise, without Buyer's prior written consent.

Any attempted assignment without such consent shall be null and void unless otherwise required by applicable law.

Buyer may assign or transfer the Purchase Order, in whole or in part, to an affiliate, successor, customer, or purchaser of its business without Seller's consent.

**10.11 Supply Chain Risk Management.** Seller shall promptly notify Buyer of any event that may materially affect Seller's or its suppliers' ability to perform the Purchase Order, including events affecting quality, schedule, capacity, regulatory compliance, cybersecurity, or continuity of supply. Seller shall cooperate with Buyer in implementing appropriate mitigation or recovery actions.

**10.12 Right to Review Subcontractors.** Buyer may review Seller's management of lower-tier subcontractors to verify compliance with the Purchase Order, Section 7 – Inspection, Testing, Acceptance, and Record Retention, and applicable Government contract requirements expressly identified in or incorporated into the Purchase Order.

Seller shall provide reasonable assistance in facilitating such reviews.

Seller shall ensure that no change by any Subcontractor or lower-tier supplier affecting the Goods, Services, or Work is implemented without Buyer's prior written approval where such approval is required under Section 18 (Changes) or the Purchase Order.

**10.13 No Third-Party Beneficiary.** Nothing contained in this Section or elsewhere in the Purchase Order shall create any contractual relationship between Buyer and Seller's Subcontractors or suppliers, nor shall any Subcontractor or supplier be deemed a third-party beneficiary of this Agreement.

Seller shall remain solely responsible for the administration, direction, and payment of all lower-tier Subcontractors.

## **SECTION 11 – COMPLIANCE WITH LAWS, REGULATIONS, AND ETHICAL BUSINESS PRACTICES**

**11.1 General Compliance.** Seller shall comply with all applicable federal, state, local, and international laws, regulations, ordinances, and governmental requirements applicable to the performance of the Purchase Order. Seller shall ensure that its employees, agents, representatives, suppliers, and lower-tier subcontractors comply with the applicable requirements of this Purchase Order.

**11.2 Ethics and Business Conduct.** Seller shall conduct its business honestly, ethically, and with integrity. Seller shall comply with all applicable anti-corruption, anti-bribery, anti-kickback, fraud prevention, competition, labor, human rights, export control, and trade compliance laws. Seller shall maintain policies and internal controls reasonably designed to promote legal compliance and ethical business practices.

**11.3 Environmental, Health and Safety.** Seller shall comply with all applicable environmental, occupational health and safety, hazardous material, product stewardship, recycling, transportation, and waste disposal laws and regulations applicable to the Goods and Services.

**11.4 Government Contract Compliance.** When the Purchase Order supports a United States Government prime contract or subcontract, Seller shall comply with Section 9 – Government Contract Requirements and Flow-Down Provisions and all applicable FAR, DFARS, agency supplemental, and other Government contract requirements expressly identified in or incorporated into the Purchase Order.

Applicable FAR, DFARS, agency supplemental, and other Government contract clauses expressly identified in or incorporated into the Purchase Order shall apply to Seller in accordance with their stated applicability and flow-down requirements.

**11.5 Records and Cooperation.** Seller shall maintain records reasonably necessary to demonstrate compliance with this Section and shall provide such

records to Buyer upon reasonable request, subject to applicable confidentiality and legal restrictions.

**11.6 Notification of Non-Compliance.** Seller shall promptly notify Buyer upon becoming aware of any actual or suspected violation of applicable law or this Purchase Order that may materially affect Seller's performance or Buyer's contractual obligations. Seller shall promptly implement corrective actions reasonably acceptable to Buyer.

**11.7 Survival.** Seller's obligations under this Section shall survive completion, expiration, or termination of the Purchase Order to the extent required by applicable law, the Purchase Order, or applicable Government contract requirements expressly identified in or incorporated into the Purchase Order.

## **SECTION 12- EXPORT CONTROL, TRADE COMPLIANCE, AND CYBERSECURITY**

**12.1 General Compliance.** Seller shall comply with all applicable export control, trade compliance, and cybersecurity laws, regulations, and contractual requirements applicable to the performance of the Purchase Order, including, as applicable, the International Traffic in Arms Regulations (ITAR), Export Administration Regulations (EAR), Office of Foreign Assets Control (OFAC) regulations, applicable U.S. Government cybersecurity requirements, and all applicable FAR, DFARS, and prime contract flow-down requirements.

Seller shall establish and maintain written policies, procedures, and internal controls reasonably designed to ensure ongoing compliance with such requirements.

Seller shall comply with the requirements set forth in Appendix B – Cybersecurity Requirements, which is incorporated into and forms a part of these Standard Terms and Conditions by this reference. Seller shall ensure that its employees, agents, representatives, and applicable lower-tier subcontractors comply with the requirements of Appendix B in connection with the performance of the Purchase Order.

**12.2 Export Control Laws.** Seller shall comply with all applicable export control laws and regulations, including but not limited to:

- a. The International Traffic in Arms Regulations (ITAR);
- b. The Export Administration Regulations (EAR);
- c. Regulations administered by the U.S. Department of State, Directorate of Defense Trade Controls (DDTC);
- d. Regulations administered by the U.S. Department of Commerce, Bureau of Industry and Security (BIS); and
- e. Any other applicable export licensing or trade control requirements.

Seller shall obtain and maintain all export licenses, authorizations, registrations, exemptions, and approvals necessary for its performance under the Purchase Order.

**12.3 Economic Sanctions and Restricted Parties.** Seller represents and warrants that neither Seller nor, to Seller's knowledge, any of its owners, officers, directors, employees, agents, or Subcontractors performing Work under the Purchase Order is subject to any applicable sanctions, embargoes, denied party restrictions, debarment, or other governmental prohibition that would prevent performance of the Purchase Order.

Seller shall not engage in any transaction prohibited by applicable economic sanctions or restricted party regulations.

**12.4 Import and Customs Compliance.** Seller shall comply with all applicable customs, import, country-of-origin, valuation, tariff classification, marking, and trade documentation requirements.

Seller shall provide accurate customs documentation and promptly furnish Buyer with any information reasonably required to support importation, exportation, customs clearance, or regulatory reporting.

**12.5 Controlled Technical Data.** Seller shall not disclose, release, export, re-export, transfer, or otherwise provide export-controlled technical data, software, drawings, specifications, or other controlled information received from Buyer except as authorized in writing by Buyer and permitted by applicable law.

Seller shall implement appropriate administrative, technical, and physical safeguards to prevent unauthorized access or disclosure.

**12.6 Controlled Unclassified Information (CUI) and Federal Contract Information (FCI).** Where Seller receives, develops, stores, processes, transmits, or otherwise has access to Controlled Unclassified Information (CUI), Federal Contract Information (FCI), or other controlled information, Seller shall safeguard such information in accordance with all applicable contractual, statutory, and regulatory requirements.

Seller shall restrict access to such information solely to personnel having a legitimate business need to know and who are authorized to access such information.

**12.7 Cybersecurity Requirements.** Where applicable, Seller shall maintain an information security program appropriate to the Goods, Services, and information involved and shall comply with all cybersecurity requirements identified in the Purchase Order, including applicable FAR, DFARS, NIST SP 800-171, CMMC, customer, and Prime Contract requirements.

**12.8 Cyber Incident Reporting.** Seller shall notify Buyer immediately, and in no event later than twenty-four (24) hours after discovery, of any cybersecurity incident affecting Buyer information, Government information, CUI, FCI, or export-controlled information, and shall cooperate in all required investigation, reporting, mitigation, and corrective actions.

**12.9 Data Protection.** Seller shall protect all confidential, proprietary, personal, technical, and controlled information received from Buyer using commercially reasonable administrative, technical, and physical safeguards designed to prevent unauthorized access, disclosure, modification, destruction, or loss.

Seller shall immediately notify Buyer of any actual or suspected unauthorized disclosure.

**12.10 Foreign Persons.** Seller shall not permit access to export-controlled technical data, software, controlled information, or Government information by any foreign person unless expressly authorized by Buyer in writing and permitted under applicable export control laws.

Seller shall maintain records demonstrating compliance with all applicable authorization requirements.

**12.11 Subcontractor Compliance.** Seller shall flow down applicable export control, cybersecurity, confidentiality, and trade compliance requirements to lower-tier subcontractors performing Work under the Purchase Order and shall remain responsible for their compliance.

Seller shall remain responsible for ensuring compliance throughout its supply chain.

**12.12 Records.** Seller shall maintain records demonstrating compliance with this Section in accordance with **Section 7 – Inspection, Testing, Acceptance, and Record Retention**, and shall provide such records to Buyer upon reasonable request.

Such records shall be retained in accordance with the Record Retention requirements of this Purchase Order and shall be made available to Buyer upon reasonable request.

**12.13 Verification.** Buyer's rights to inspect, verify, and audit Seller's compliance with this Section are governed by **Section 7 – Inspection, Testing, Acceptance, and Record Retention**. Seller shall cooperate fully with any such review.

**12.14 Material Breach.** Seller acknowledges that compliance with this Section is a material requirement of the Purchase Order.

Any violation of applicable export control laws, sanctions, cybersecurity requirements, confidentiality obligations, or trade compliance regulations may constitute a material breach of the Purchase Order and may result in rejection of Goods or Services, suspension of performance, termination for default, or any other remedy available to Buyer under this Purchase Order or applicable law.

**12.15 Survival.** Seller's obligations relating to export control, trade compliance, cybersecurity, confidentiality, incident reporting, and protection of controlled information shall survive completion, expiration, or termination of the Purchase Order to the extent required by applicable law, regulation, or the Purchase Order.

## SECTION 13 – INTELLECTUAL PROPERTY RIGHTS

**13.1 Ownership of Intellectual Property.** Except as otherwise expressly stated in the Purchase Order, Buyer shall own all right, title, and interest in and to all deliverables, reports, drawings, specifications, software, firmware, source code, object code, documentation, data, discoveries, inventions, developments, processes, improvements, designs, engineering information, technical data, and other work product conceived, developed, created, reduced to practice, or first produced by Seller, either solely or jointly with Buyer, in the performance of the Purchase Order (Work Product).

Seller hereby irrevocably assigns, and agrees to assign, to Buyer all worldwide right, title, and interest in and to such Work Product, including all associated intellectual property rights.

Seller shall obtain all assignments and other documentation reasonably necessary to vest such rights in Buyer.

Buyer may seek any available legal or equitable remedy, including temporary, preliminary, and permanent injunctive relief, specific performance, or any other equitable remedy available under applicable law, to protect its intellectual property rights.

**13.2 Work Made for Hire.** To the fullest extent permitted by applicable law, all copyrightable Work Product created by Seller in connection with the Purchase Order shall constitute a "work made for hire" for Buyer.

To the extent any Work Product does not qualify as a work made for hire, Seller hereby irrevocably assigns to Buyer all copyrights and other intellectual property rights in such Work Product without additional compensation.

Seller shall execute all documents reasonably requested by Buyer to evidence, perfect, register, or enforce Buyer's ownership rights.

Seller shall cooperate fully with Buyer in obtaining, maintaining, defending, and enforcing any patent, copyright, trademark, trade secret, or other intellectual property protection relating to the Work Product.

**13.3 Intellectual Property Developed Under the Purchase Order.** All inventions, discoveries, improvements, modifications, software, designs, processes, technical information, engineering documentation, and other intellectual property developed during performance of the Purchase Order shall become the exclusive property of Buyer to the extent such intellectual property is developed specifically for Buyer or funded by Buyer under the Purchase Order.

Seller shall promptly disclose all such developments to Buyer and shall cooperate in securing patent, copyright, trademark, trade secret, or other intellectual property protection as reasonably requested by Buyer.

**13.4 License to Buyer.** To the extent Seller retains ownership of any intellectual property necessary for Buyer to use, operate, maintain, repair, modify, integrate, or support the Goods or Services furnished under the Purchase Order, Seller

grants Buyer a perpetual, irrevocable, worldwide, non-exclusive, transferable, royalty-free license, with the right to sublicense to Buyer's customers and service providers solely as necessary to support the Goods or Services purchased under the Purchase Order.

Such license shall survive expiration or termination of the Purchase Order.

**13.5 Third-Party Intellectual Property.** Seller represents and warrants that it possesses all rights, licenses, permissions, and authorizations necessary to furnish any third-party intellectual property incorporated into the Goods or Services.

Seller shall not incorporate any third-party intellectual property that restricts Buyer's ownership, operation, maintenance, repair, modification, resale, or lawful use of the Goods or Services without Buyer's prior written approval.

Seller shall provide Buyer with all applicable third-party licenses, notices, and usage rights required for Buyer's intended use of the Goods or Services.

**13.6 Intellectual Property Notices.** Seller shall preserve and not remove any patent, copyright, trademark, proprietary legend, confidentiality notice, or other intellectual property marking appearing on Buyer's property, technical data, software, drawings, specifications, or documentation.

Seller shall promptly notify Buyer upon becoming aware of any unauthorized use, disclosure, infringement, or misappropriation of Buyer's intellectual property or confidential information related to the Purchase Order.

**13.7 Background Intellectual Property.** Each Party shall retain all right, title, and interest in and to its respective Background Intellectual Property existing prior to the effective date of the Purchase Order or developed independently of the Work performed under the Purchase Order.

Except as expressly provided herein, neither Party grants the other any ownership interest in its Background Intellectual Property.

**13.8 License to Background Intellectual Property.** Seller grants Buyer a perpetual, irrevocable, worldwide, non-exclusive, royalty-free license to reproduce, modify, maintain, repair, support, and otherwise exploit such Background Intellectual Property solely as necessary to utilize, maintain, support, and operate the Goods or Services furnished under the Purchase Order.

**13.9 Intellectual Property Infringement.** Seller shall defend, indemnify, and hold harmless Buyer from and against any claim, suit, action, liability, loss, damage, judgment, settlement, cost, or expense (including reasonable attorneys' fees) arising out of any allegation that the Goods, Services, or Work Product infringe or misappropriate any patent, copyright, trademark, trade secret, or other intellectual property right. Seller shall, at its expense, obtain the right for Buyer to continue using the affected Goods or Services, replace or modify the affected Goods or Services so they are non-infringing without materially diminishing functionality, or, if neither option is commercially reasonable, reimburse Buyer for its resulting losses.

**13.10** Seller's obligations relating to ownership, assignment, licensing, confidentiality, and protection of intellectual property shall survive completion, expiration, cancellation, or termination of the Purchase Order to the extent permitted by applicable law.

## **SECTION 14 – CONFIDENTIALITY, INFORMATION SECURITY, AND DATA PROTECTION**

**14.1 Confidential Information.** Seller shall protect all Confidential Information received from Buyer and shall use such information solely for the purpose of performing the Purchase Order. Seller shall not disclose Buyer's Confidential Information to any third party without Buyer's prior written consent, except to employees, agents, or approved Subcontractors who have a legitimate need to know and are bound by written confidentiality obligations at least as protective as those contained herein.

Confidential Information includes, without limitation, technical data, drawings, specifications, software, trade secrets, pricing, business information, customer information, manufacturing processes, prototypes, and any other information designated as confidential or that reasonably should be understood to be confidential by its nature.

**14.2 Information Security.** Seller shall comply with all applicable cybersecurity, information security, and data protection requirements identified in the Purchase Order, Section 12 – Export Control, Trade Compliance, and Cybersecurity, and any applicable Government contract requirements.

Where applicable, Seller shall comply with all information security, cybersecurity, and data protection requirements identified in the Purchase Order, the applicable Prime Contract, and incorporated FAR, DFARS, or other Government contract clauses, including requirements applicable to Controlled Unclassified Information (CUI), Federal Contract Information (FCI), and export-controlled information.

**14.3 Security Incidents.** Seller shall promptly notify Buyer, and no later than twenty-four (24) hours after discovery, of any actual or suspected unauthorized access, disclosure, loss, compromise, or cybersecurity incident involving Buyer's Confidential Information or other protected information.

Cybersecurity incidents involving CUI, FCI, or Government information shall also be reported in accordance with Section 12 and any applicable contractual requirements.

Seller shall cooperate fully with Buyer in investigating, mitigating, and remediating any such incident and shall take all reasonable actions necessary to prevent further unauthorized disclosure or compromise.

**14.4 Return or Destruction of Information.** Upon Buyer's written request or upon completion, expiration, or termination of the Purchase Order, Seller shall promptly return or securely destroy all Confidential Information and all copies,

extracts, summaries, backups, and reproductions, unless retention is required by applicable law, regulation, the Purchase Order, or the applicable Prime Contract.

Upon request, Seller shall provide written certification confirming compliance with this requirement.

**14.5 Equitable Relief.** Seller acknowledges that unauthorized disclosure or misuse of Buyer's Confidential Information may cause irreparable harm for which monetary damages alone would be an inadequate remedy. In addition to all other rights and remedies available under the Purchase Order or applicable law, Buyer shall be entitled to seek injunctive relief, specific performance, or other equitable remedies without limiting any other contractual or legal remedy.

**14.6 Subcontractor Compliance.** Seller shall ensure that all approved Subcontractors, suppliers, consultants, agents, and other third parties having access to Buyer's Confidential Information comply with confidentiality, information security, and data protection obligations that are no less protective than those contained in this Section. Seller shall remain fully responsible for any unauthorized disclosure or misuse by such parties.

**14.7 Relationship to Other Contract Requirements.** The obligations of this Section supplement, and do not limit, any confidentiality, intellectual property, export control, cybersecurity, Government contract, or Buyer-Furnished Property obligations contained elsewhere in the Purchase Order.

**14.8 Survival.** Seller's obligations regarding confidentiality, information security, controlled information, and data protection survive completion, expiration, or termination of the Purchase Order to the extent required by applicable law or the Purchase Order.

## **SECTION 15- BUYER-FURNISHED PROPERTY, GOVERNMENT PROPERTY, TOOLING, AND MATERIALS**

**15.1 Buyer-Furnished Property.** Buyer may furnish to Seller, at Buyer's sole discretion, property, materials, equipment, tooling, technical data, software, documentation, drawings, specifications, test equipment, gauges, fixtures, molds, dies, patterns, or other tangible or intangible property (Buyer-Furnished Property) for use solely in the performance of the Purchase Order.

Title to all Buyer-Furnished Property shall remain exclusively with Buyer or Buyer's customer, as applicable. Seller shall acquire no ownership or other proprietary interest in such property.

**15.2 Authorized Use.** Seller shall not copy, modify, transfer, lease, loan, sell, encumber, or permit use of Buyer-Furnished Property except as authorized in writing by Buyer..

Seller shall not copy, duplicate, reverse engineering, modify, transfer, lease, loan, pledge, sell, encumber, or permit use of Buyer-Furnished Property by any third party except as expressly authorized by Buyer in writing.

**15.3 Care, Custody, and Control.** Seller shall exercise reasonable care, consistent with sound commercial and industry practices, to safeguard Buyer-Furnished Property from loss, theft, damage, misuse, deterioration, unauthorized access, or unauthorized disclosure.

Seller shall maintain appropriate controls for the storage, handling, maintenance, identification, preservation, and security of Buyer-Furnished Property.

Seller shall bear the risk of loss or damage to Buyer-Furnished Property while in Seller's possession, custody, or control, ordinary wear and tear excepted, unless such loss or damage is caused solely by Buyer or is otherwise allocated by applicable law or the Purchase Order.

**15.4 Identification and Segregation.** Seller shall clearly identify Buyer-Furnished Property as the property of Buyer or Buyer's customer and shall maintain such property separate from Seller's own property whenever practical.

Seller shall establish and maintain records sufficient to identify:

- a. Property description;
- b. Property identification number;
- c. Quantity;
- d. Location;
- e. Condition;
- f. Date received; and
- g. Final disposition.

**15.5 Inspection and Inventory.** Buyer, Buyer's customer, and authorized Government representatives shall have the inspection and audit rights provided in **Section 7 – Inspection, Testing, Acceptance, and Record Retention** with respect to Buyer-Furnished Property.

Seller shall conduct periodic inventories of Buyer-Furnished Property as reasonably requested by Buyer and shall promptly reconcile and report any discrepancies.

**15.6 Maintenance and Calibration.** Seller shall maintain Buyer-Furnished Property in accordance with the manufacturer's recommendations, applicable industry standards, and Buyer's instructions.

Where Buyer-Furnished Property consists of measuring or test equipment requiring calibration, Seller shall maintain calibration records demonstrating traceability to nationally or internationally recognized standards.

Seller shall not modify, repair, recalibrate, or replace Buyer-Furnished Property without Buyer's prior written approval unless immediate action is necessary to prevent further damage or ensure safety.

**15.7 Loss, Damage, or Impairment.** Seller shall notify Buyer in writing within twenty-four (24) hours after discovering any loss, theft, destruction, damage, misuse, unauthorized disclosure, or impairment of Buyer-Furnished Property.

Seller shall investigate the incident, implement appropriate corrective actions, and provide Buyer with a written report describing the cause, corrective actions taken, and measures implemented to prevent recurrence.

Seller shall be responsible for the reasonable costs of repair or replacement to the extent the loss or damage results from Seller's negligence, willful misconduct, or failure to comply with the requirements of the Purchase Order.

**15.8 Government Property.** Where Government Property is furnished under the Purchase Order, Seller shall comply with all applicable Government property management requirements, including applicable FAR, DFARS, and Prime Contract requirements.

Seller shall establish and maintain an adequate Government Property Management System where required and shall permit Government representatives reasonable access to verify compliance.

**15.9 Tooling.** All tooling, dies, molds, fixtures, jigs, gauges, patterns, templates, manufacturing aids, and special test equipment purchased by Buyer, reimbursed by Buyer, or specifically developed for performance of the Purchase Order shall remain the exclusive property of Buyer unless otherwise expressly agreed in writing.

Seller shall clearly identify such tooling as Buyer's property and shall not dispose of, relocate, modify, duplicate, or use such tooling for any purpose other than performance of the Purchase Order without Buyer's prior written consent.

**15.10 Buyer-Furnished Materials.** Seller shall inspect Buyer-furnished materials upon receipt and promptly notify Buyer of any shortages, visible damage, defects, or discrepancies.

Seller shall exercise commercially reasonable efforts to minimize waste and shall not substitute, alter, or dispose of Buyer-furnished materials without Buyer's prior written approval.

Seller shall maintain records documenting material usage and shall account for all unused material upon completion of the Purchase Order.

**15.11 Return of Property.** Upon completion, termination, cancellation, or expiration of the Purchase Order, or upon Buyer's written request, Seller shall promptly return all Buyer-Furnished Property, Government Property, tooling, technical data, software, documentation, and unused Buyer-furnished materials in substantially the same condition as originally received, reasonable wear and tear excepted.

Seller shall not retain copies of Buyer's proprietary information or technical data except as required by applicable law or as expressly authorized by Buyer in writing.

Upon termination, Seller shall return Buyer-Furnished Property in accordance with Section 20.6 and Section 15.11.

**15.12 No Lien Rights.** Seller shall not assert or permit any lien, security interest, encumbrance, possessory interest, mechanic's lien, warehouseman's lien, or similar claim against Buyer-Furnished Property, Government Property, tooling, materials, or other property owned by Buyer or Buyer's customer.

Seller shall promptly discharge any unauthorized lien at its own expense.

**15.13 Risk of Loss.** Except to the extent caused solely by Buyer, Seller shall bear all risk of loss, theft, destruction, or damage to Buyer-Furnished Property while such property is in Seller's possession, custody, or control.

Seller shall maintain insurance or other financial responsibility reasonably sufficient to protect against such risk where required by the Purchase Order or applicable law.

**15.14 Survival.** Seller's obligations regarding Buyer-Furnished Property, Government Property, tooling, records, confidentiality, and return of property shall survive until such property has been returned or otherwise disposed of in accordance with Buyer's written instructions.

## **SECTION 16- INSURANCE**

**16.1 Insurance Requirements.** Seller shall, at its own expense, procure, maintain, and keep in force throughout the performance of the Purchase Order insurance coverage with insurers that are authorized to conduct business in the applicable jurisdiction and have an acceptable financial rating.

Seller shall maintain insurance in amounts commercially reasonable for the Goods or Services provided and not less than any coverage required by applicable law or expressly identified in the Purchase Order.

Seller's insurance obligations shall not limit or relieve Seller of any liability arising under the Purchase Order.

**16.2 Minimum Insurance Coverage.** Buyer reserves the right to require higher limits or additional insurance coverage where warranted by the Goods, Services, regulatory requirements, or applicable Prime Contract.

Unless otherwise specified in the Purchase Order, Seller shall maintain, as applicable:

- a. Commercial General Liability Insurance, including contractual liability, products/completed operations, bodily injury, property damage, and personal and advertising injury coverage;
- b. Workers' Compensation Insurance as required by applicable law;
- c. Employer's Liability Insurance;

- d. Commercial Automobile Liability Insurance covering owned, hired, leased, and non-owned vehicles used in connection with the Purchase Order;
- e. Product Liability Insurance, where Goods are furnished under the Purchase Order;
- f. Professional Liability (Errors and Omissions) Insurance, where engineering, design, consulting, software development, or other professional services are provided;
- g. Cyber Liability and Network Security Insurance, where Seller has access to Buyer's information systems, processes Controlled Unclassified Information (CUI), Federal Contract Information (FCI), Confidential Information, or otherwise performs information technology or software-related services; and
- h. Umbrella or Excess Liability Insurance, where reasonably appropriate based upon the scope and risk associated with the Purchase Order.

**16.3 Certificates of Insurance.** Upon Buyer's request, Seller shall furnish certificates of insurance or other evidence reasonably acceptable to Buyer demonstrating compliance with this Section.

Seller shall promptly provide updated certificates upon renewal, replacement, or modification of any required insurance policy.

Buyer may require satisfactory evidence of insurance before performance begins where insurance is identified as a condition of the Purchase Order.

**16.4 Additional Insured.** Where expressly required by the Purchase Order, Seller shall name Buyer, its affiliates, officers, directors, employees, customers, and, where applicable, the United States Government, as additional insureds under Seller's Commercial General Liability and other applicable liability policies for liabilities arising out of Seller's performance of the Purchase Order.

Such additional insured status shall apply on a primary and non-contributory basis to the extent permitted by applicable law.

**16.5 Waiver of Subrogation.** Where required by the Purchase Order to the extent permitted by applicable law and commercially available, Seller shall obtain a waiver of subrogation in favor of Buyer with respect to Workers' Compensation, Employer's Liability, Commercial General Liability, and Property Insurance policies when required by the Purchase Order.

**16.6 Notice of Cancellation or Material Change.** Seller shall provide Buyer with prompt written notice of any cancellation, non-renewal, lapse, material reduction in coverage, or other material change affecting any insurance required under this Section.

Seller shall not permit required insurance coverage to lapse during performance of the Purchase Order.

**16.7 Deductibles and Self-Insured Retentions.** Seller shall be solely responsible for all deductibles, self-insured retentions, and uninsured portions of any claim arising under the Purchase Order.

**16.8 Subcontractor Insurance.** Seller shall require all lower-tier Subcontractors performing Work under the Purchase Order to maintain insurance appropriate to the nature of their work and consistent with the requirements of this Section.

Seller shall remain fully responsible for ensuring compliance by its Subcontractors.

**16.9 No Limitation of Liability.** The maintenance of insurance by Seller shall not be construed to limit, waive, or satisfy Seller's obligations, liabilities, indemnification responsibilities, or other duties under the Purchase Order.

Buyer shall retain all rights and remedies available under the Purchase Order or applicable law regardless of the availability or limits of Seller's insurance.

**16.10 Claims.** Seller shall promptly notify Buyer of any occurrence, claim, lawsuit, governmental investigation, or other event that may materially affect Seller's insurance coverage or its ability to perform the Purchase Order.

Seller shall cooperate fully with Buyer in the investigation and resolution of claims arising out of Seller's performance.

**16.11 Buyer-Furnished Property.** Seller shall maintain insurance or otherwise bear financial responsibility for Buyer-Furnished Property to the extent Seller is responsible under Section 15 – Buyer-Furnished Property, Government Property, Tooling, and Materials.

**16.12 Survival.** Seller's obligations under this Section shall survive completion, expiration, or termination of the Purchase Order with respect to claims arising from Goods delivered or Services performed before such completion or termination.

## **SECTION 17- FORCE MAJEURE**

**17.1 Definition of Force Majeure.** If a Force Majeure Event delays Seller's performance or Buyer reasonably determines that Seller will be unable to satisfy the required delivery schedule, Buyer may, upon written notice, obtain substitute Goods or Services from alternate sources, temporarily reduce quantities, or otherwise mitigate the effects of the delay without liability to Seller.

Delays attributable to a qualifying Force Majeure Event shall be governed exclusively by this Section and Section 6

Except as otherwise agreed in writing by Buyer, a Force Majeure Event shall not entitle Seller to any increase in the Purchase Order price.

For purposes of this Agreement, a Force Majeure Event means an event that is beyond reasonable control of the affected Party, could not have been prevented through the exercise of reasonable diligence, and materially prevents performance under the Purchase Order, including:

- a. Acts of God;
- b. Floods, hurricanes, tornadoes, earthquakes, or other natural disasters;

- c. Fires, explosions, or other catastrophic events;
- d. Epidemics or pandemics declared by the appropriate governmental authority;
- e. War (declared or undeclared), invasion, armed conflict, terrorism, sabotage, or civil unrest;
- f. Governmental actions, embargoes, sanctions, export restrictions, or changes in law that directly prevent performance;
- g. National emergencies; or
- h. Other events of similar character beyond the reasonable control of the affected Party.

**17.2 Events Not Constituting Force Majeure.** The following events shall not constitute Force Majeure unless directly resulting from a qualifying Force Majeure Event described in Section 17.1:

- a. Seller's financial hardship, insolvency, or inability to obtain financing;
- b. Increases in labor, transportation, material, or production costs;
- c. Market shortages or changes in market conditions;
- d. Supplier or Subcontractor failures that could have been avoided through reasonable supply chain management;
- e. Labor shortages or employee turnover;
- f. Equipment failures resulting from inadequate maintenance;
- g. Manufacturing inefficiencies or production scheduling issues;
- h. Failure to obtain permits, licenses, approvals, or authorizations; or
- i. Any event that Seller could reasonably have anticipated or mitigated through prudent business practices.

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

The notice shall include:

- a. A description of the Force Majeure Event;
- b. The obligations affected;
- c. The anticipated duration of the delay;
- d. The actions being taken to mitigate the impact; and
- e. The expected date performance will resume.

Failure to provide timely notice may limit the affected Party's right to claim relief under this Section to the extent the delay in notice prejudices the other Party.

**17.4 Duty to Mitigate.** The affected Party shall use commercially reasonable efforts to mitigate the effects of the Force Majeure Event and resume full performance as soon as reasonably possible.

Such efforts shall include, where appropriate:

- a. Utilizing alternate manufacturing facilities;
- b. Qualifying alternate suppliers;
- c. Implementing business continuity and disaster recovery plans;
- d. Reallocating available resources; and
- e. Taking any other reasonable action to minimize delays.

The affected Party shall keep the other Party reasonably informed regarding the status of the Force Majeure Event and the effectiveness of its mitigation efforts until normal performance resumes.

**17.5 Defense Priorities and Allocations System (DPAS).** Where the Purchase Order bears a DPAS rating (e.g., DO or DX), Seller shall give the Purchase Order the priority required by the Defense Priorities and Allocations System (15 C.F.R. Part 700) and shall continue to satisfy such obligations during any Force Majeure Event to the maximum extent reasonably possible.

**17.6 Allocation of Resources.** Seller shall not allocate available production capacity, inventory, labor, materials, or other resources in a manner that unreasonably disadvantages Buyer in favor of other customers where Seller has the ability to continue partial performance under the Purchase Order.

**17.7 Buyer's Right to Obtain Alternate Sources.** If a Force Majeure Event delays Seller's performance or creates a reasonable likelihood that Seller will be unable to satisfy the delivery schedule or other material performance requirements of the Purchase Order, Buyer may, upon written notice to Seller, obtain substitute Goods or Services from alternate sources for the duration of the delay, without liability to Seller.

Seller shall reasonably cooperate with Buyer to facilitate such alternate sourcing, including the orderly transition of production, technical data, documentation, tooling (where applicable), and other information or assistance reasonably necessary to mitigate the effects of the Force Majeure Event.

Buyer's exercise of this right shall not constitute a breach of the Purchase Order, a waiver of any contractual or legal right or remedy, or a basis for any claim by Seller for lost profits, loss of business opportunity, consequential damages, indirect damages, or other economic losses arising from such alternate sourcing. Seller shall remain responsible for all obligations under the Purchase Order that are not excused by the applicable Force Majeure Event.

**17.8 Extended Force Majeure.** If a Force Majeure Event continues for more than thirty (30) consecutive calendar days, or for such shorter period as materially impacts Buyer's operations or contractual obligations to its customers, Buyer may, upon written notice, suspend performance, reduce quantities, obtain alternate

sources, or terminate the Purchase Order in whole or in part without liability, except for payment for conforming Goods delivered or Services accepted prior to the effective date of termination.

If a Force Majeure Event continues beyond the period specified in this Section 17.7, Buyer may terminate the Purchase Order in accordance with Section 20 – Termination.

**17.9 Business Continuity.** Seller shall maintain commercially reasonable business continuity and disaster recovery plans appropriate to the nature, complexity, and criticality of the Goods or Services furnished under the Purchase Order.

Upon Buyer's request, Seller shall provide a summary of its business continuity planning sufficient to demonstrate its capability to recover from significant disruptions affecting performance.

**17.10 No Excuse for Payment Obligations.** Nothing in this Section shall excuse Buyer from paying for conforming Goods delivered and accepted by Buyer or for Services satisfactorily performed and accepted prior to the occurrence of the Force Majeure Event.

**17.11 Resumption of Performance.** The affected Party shall promptly notify the other Party when the Force Majeure Event has ceased and shall immediately resume performance of its obligations under the Purchase Order.

The Parties shall cooperate in good faith to revise delivery schedules or performance milestones as reasonably necessary.

## SECTION 18- CHANGES

**18.1 Buyer's Right to Direct Changes.** Buyer may, at any time, by written Change Order or other written direction authorized by Buyer, direct changes within the general scope of the Purchase Order, including changes relating to:

- a. Specifications, drawings, designs, or technical requirements;
- b. Statements of Work or performance requirements;
- c. Methods of shipment, packaging, or delivery;
- d. Delivery schedules or place of delivery;
- e. Inspection, testing, or quality requirements;
- f. Quantities ordered; or
- g. Any other matter within the general scope of the Purchase Order.

Seller shall promptly proceed with the directed change unless otherwise instructed in writing by Buyer.

**18.2 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, delivery schedule, or both.

Seller shall submit a written request for equitable adjustment within ten (10) business days after receipt of the Change Order, together with sufficient supporting documentation demonstrating the actual impact of the change.

Seller shall maintain records sufficient to substantiate the requested equitable adjustment in accordance with the record retention requirements of the Purchase Order.

Failure to timely submit a request shall constitute Seller's waiver of any claim for an equitable adjustment arising from the directed change, except to the extent prohibited by applicable law.

Any dispute concerning an equitable adjustment shall be resolved in accordance with the dispute resolution provisions of this Purchase Order. Pending final resolution of the dispute, Seller shall continue performance as required by the Purchase Order.

**18.3 Continued Performance.** Pending resolution of any proposed equitable adjustment, Seller shall continue diligent performance of the Purchase Order, including implementation of the directed change, unless otherwise instructed by Buyer in writing.

Seller shall not suspend or delay performance based upon the existence of a dispute concerning a requested adjustment.

**18.4 Unauthorized Changes.** Seller shall promptly notify Buyer in writing of any proposed change that may affect cost, schedule, quality, reliability, regulatory compliance, interchangeability, safety, functionality, or contractual performance.

Seller shall not implement any proposed change until Buyer provides written approval.

Approval of one change shall not constitute approval of future changes.

**18.5 Engineering Changes.** Where engineering drawings, specifications, models, software, firmware, or technical documentation are revised by Buyer, Seller shall implement only the revisions identified in Buyer's written Change Order or other authorized written direction.

Seller shall maintain configuration control and ensure that only the current approved revision is used in the manufacture or performance of the Goods or Services.

Seller shall maintain records of all approved engineering changes in accordance with Section 7 – Inspection, Testing, Acceptance, and Record Retention.

**18.6 Supply Chain Changes.** Seller shall provide Buyer with as much advance written notice as reasonably practicable, and where feasible not less than ninety (90) calendar days, before implementing:

a. Manufacturing location;

- b. Critical suppliers or Subcontractors;
- c. Manufacturing processes;
- d. Special processes;
- e. Tooling;
- f. Equipment affecting product quality;
- g. Materials or components;
- h. Software revisions affecting functionality; or
- i. Any change that could affect product conformity, reliability, regulatory compliance, or delivery.

Buyer reserves the right to approve, reject, or require validation of such changes before implementation.

**18.7 Obsolescence Notification.** Seller shall promptly notify Buyer upon becoming aware that any material, component, software, process, or equipment required for performance of the Purchase Order may become obsolete, discontinued, unavailable, or otherwise unsuitable.

Seller shall provide commercially reasonable recommendations for alternate sources, substitute components, redesign options, or last-time-buy opportunities.

**18.8 Documentation.** All approved changes shall be documented through a written Change Order, Purchase Order amendment, or other written instrument executed or authorized by Buyer.

Oral instructions, informal communications, or course of dealing shall not modify the Purchase Order.

**18.9 No Waiver.** Buyer's review, approval, inspection, testing, acceptance, or payment shall not constitute approval of any unauthorized change or waive Buyer's right to enforce compliance with the Purchase Order.

**18.10 Government Contract Changes.** Where the Purchase Order supports a United States Government contract, Seller shall comply with all applicable Prime Contract change provisions, mandatory FAR and DFARS flow-down clauses, and Buyer's written direction implementing Government-authorized changes.

Seller shall not communicate directly with the Government regarding contractual changes except as expressly authorized by Buyer or required by applicable law.

## **SECTION 19- SUSPENSION AND STOP WORK**

**19.1 Buyer's Right to Suspend or Stop Work.** Buyer may, at any time, by written notice to Seller, suspend all or any portion of the Work or issue a Stop Work Order for reasons including, but not limited to, customer direction, Government action, engineering changes, business requirements, quality concerns, safety considerations, or other legitimate business purposes.

Seller shall immediately comply with any Suspension or Stop Work Order upon receipt.

**19.2 Seller's Obligations During Suspension.** Upon receipt of a Suspension or Stop Work Order, Seller shall:

- a. Immediately suspend the affected Work;
- b. Take all reasonable actions to protect completed Work, Buyer-Furnished Property, Government Property, tooling, materials, work-in-process, and Confidential Information;
- c. Minimize additional costs consistent with sound business practices;
- d. Continue performance of any Work not affected by the Suspension or Stop Work Order;
- e. Preserve all records relating to the suspended Work; and
- f. Cooperate with Buyer in mitigating the impact of the suspension.

**19.3 Equitable Adjustment.** If a Suspension or Stop Work Order issued by Buyer materially increases Seller's reasonable and demonstrable cost of performance or extends the delivery schedule, Seller may request an equitable adjustment.

Seller shall submit a written request, together with supporting documentation, within ten (10) business days after Buyer rescinds the Suspension or Stop Work Order.

Failure to timely submit a request for equitable adjustment shall constitute Seller's waiver of any equitable adjustment arising from the Suspension or Stop Work Order, except to the extent prohibited by applicable law.

**19.4 Resumption of Work.** Buyer may, at any time, cancel a Suspension or Stop Work Order by written notice.

Upon receipt of such notice, Seller shall promptly resume performance and use commercially reasonable efforts to recover the delivery schedule and minimize any resulting delay.

Buyer and Seller shall cooperate in good faith to establish revised delivery schedules where appropriate.

**19.5 Extended Suspension.** If a Suspension or Stop Work Order remains in effect for more than ninety (90) consecutive calendar days, Buyer may, at its sole discretion:

- a. Continue the suspension;
- b. Modify the Purchase Order;
- c. Reduce quantities;
- d. Obtain alternate sources of supply;
- e. Resume performance; or

f. Terminate the Purchase Order in whole or in part pursuant to **Section 20 – Termination**.

**19.6 Seller's Duty to Preserve Property.** During any suspension, Seller shall continue to properly safeguard, maintain, preserve, and protect all Goods, Work-in-Process, Buyer-Furnished Property, Government Property, tooling, technical data, documentation, software, and Confidential Information in accordance with the requirements of **Sections 14 and 15**.

**19.7 No Unauthorized Suspension.** Seller shall not suspend, delay, discontinue, or reduce performance under the Purchase Order without Buyer's prior written authorization, except where required by applicable law or where continued performance would present an imminent threat to health, safety, or the environment.

Any unauthorized suspension of performance may constitute a material breach of the Purchase Order.

Seller shall promptly notify Buyer of any circumstance requiring suspension under applicable law.

**19.8 No Waiver of Rights.** A Suspension or Stop Work Order shall not constitute acceptance of Goods or Services, waiver of any contractual requirement, extension of Seller's delivery obligations except as expressly authorized by Buyer, or limitation of Buyer's rights or remedies under the Purchase Order.

**19.9 Government Contract Suspension.** Where the Purchase Order supports a United States Government contract, Seller shall comply with any Government-directed suspension or stop work requirements communicated through Buyer.

Seller shall comply only with Government-directed suspension or stop work instructions transmitted through Buyer unless direct Government communication is required by applicable law or expressly authorized in writing by Buyer.

**19.10 Records.** Seller shall submit a written request for an equitable adjustment, together with sufficient supporting documentation demonstrating the actual impact of the change, within ten (10) business days after receipt of the applicable Change Order. Seller shall maintain records sufficient to substantiate its request and shall make such records available to Buyer upon reasonable request.

**19.11 Relationship to Other Contract Provisions.** Nothing in this Section limits the applicability of Sections 6 (Delivery Delays), 17 (Force Majeure), 18 (Changes), 20 (Termination), or 21 (Disputes).

## **SECTION 20- TERMINATION**

**20.1 Termination for Convenience.** Buyer may, at any time and for any reason, terminate the Purchase Order, in whole or in part, for its convenience by providing written notice to Seller.

Upon receipt of such notice, Seller shall immediately:

- a. Stop all affected Work;
- b. Place no further orders for materials or services except as necessary to preserve completed Work;
- c. Terminate applicable Subcontracts related to the terminated Work, where appropriate;
- d. Protect and preserve Work-in-Process, Buyer-Furnished Property, Government Property, tooling, and Confidential Information;
- e. Deliver to Buyer all completed Goods, partially completed Goods, Work-in-Process, drawings, documentation, software, technical data, and other deliverables requested by Buyer; and
- f. Take all reasonable actions to minimize termination costs.

Buyer shall pay Seller for conforming Goods delivered and accepted, Services satisfactorily performed prior to the effective date of termination, and reasonable, properly documented, and unavoidable termination costs directly resulting from the termination, excluding anticipated profits, consequential damages, indirect damages, loss of future business, loss of opportunity, or unabsorbed overhead.

**20.2 Termination for Cause (Default).** Buyer may terminate the Purchase Order, in whole or in part, immediately upon written notice if Seller:

- a. Fails to deliver Goods or perform Services in accordance with the Purchase Order;
- b. Fails to make reasonable progress such that timely performance is endangered;
- c. Delivers nonconforming Goods or Services and fails to promptly cure such nonconformance;
- d. Fails to comply with any material provision of the Purchase Order;
- e. Makes an unauthorized change in violation of **Section 18 – Changes**;
- f. Fails to comply with applicable laws, Government contract requirements, export control regulations, cybersecurity requirements, or ethical business standards;
- g. Fails to maintain required insurance, licenses, certifications, or approvals;
- h. Fails to adequately protect Buyer-Furnished Property or Confidential Information; or
- i. Otherwise commits a material breach of the Purchase Order.

Except where immediate termination is appropriate due to the nature of the breach, Buyer may provide Seller with written notice specifying the default and allow Seller up to ten (10) business days, or such other period specified by Buyer, to cure the default.

If Seller fails to timely cure the default, Buyer may terminate the Purchase Order without further liability.

**20.3 Termination for Insolvency.** Buyer may immediately terminate the Purchase Order upon written notice if Seller:

- a. Becomes insolvent;
- b. Files or has filed against it a petition in bankruptcy or insolvency proceedings that is not dismissed within sixty (60) days;
- c. Makes an assignment for the benefit of creditors;
- d. Enters receivership or liquidation; or
- e. Experiences any material financial condition that, in Buyer's reasonable judgment, jeopardizes Seller's ability to perform the Purchase Order.

**20.4 Termination Due to Government Action.** Where the Purchase Order supports a Government contract, Buyer may terminate the Purchase Order if the applicable Prime Contract is terminated, suspended, reduced in scope, not funded, or otherwise materially modified by the Government.

Buyer shall have no greater liability to Seller than Buyer is entitled to recover from its customer or the Government for the terminated Work.

**20.5 Buyer's Rights Upon Termination.** Upon termination, Buyer may, without limiting any other rights or remedies:

- a. Obtain substitute Goods or Services from alternate sources;
- b. Complete the Work using Seller's partially completed Work or deliverables;
- c. Take possession of completed or partially completed Goods;
- d. Require assignment of applicable Subcontracts where appropriate;
- e. Recover excess procurement costs resulting from Seller's default; and
- f. Exercise any other rights or remedies available under the Purchase Order or applicable law.

**20.6 Seller's Obligations Upon Termination.** Seller shall promptly:

- a. Deliver all completed and partially completed Work requested by Buyer;
- b. Seller shall return all Buyer property and confidential information in accordance with the applicable requirements of this Purchase Order;
- d. Cooperate with Buyer to facilitate an orderly transition of production or services; and
- e. Certify completion of all required termination activities upon Buyer's request.

**20.7 Transition Assistance.** For a reasonable period following termination, Seller shall provide transition assistance reasonably requested by Buyer to facilitate the orderly transfer of production, services, technical data, tooling, software, documentation, inventory, or other deliverables to Buyer or Buyer's designated replacement supplier.

Buyer shall compensate Seller for mutually agreed, reasonable, and documented transition services not otherwise required under the Purchase Order.

**20.8 Setoff.** Buyer may offset against any amounts otherwise 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.

**20.9 No Waiver.** Termination shall not affect any rights, remedies, claims, warranties, indemnification obligations, confidentiality obligations, intellectual property rights, audit rights, payment obligations, or other provisions that by their nature survive termination.

Buyer's acceptance of Goods or Services, partial payment, or failure to immediately exercise any right shall not constitute a waiver of Buyer's right to terminate or pursue other remedies.

**20.10 Government Contract Termination Procedures.** Where required by the applicable Prime Contract, Seller shall comply with all applicable Government termination procedures, including mandatory FAR and DFARS flow-down clauses incorporated into the Purchase Order.

Where a Termination Settlement Proposal is required, Seller shall prepare and submit such proposal in accordance with **Section 20.11 – Termination Settlement Proposal** and any applicable requirements of the Prime Contract, the FAR, the DFARS, or Buyer's written instructions.

**20.11 Termination Settlement Proposal.** If Buyer terminates the Purchase Order for convenience, in whole or in part, Seller shall submit a complete written Termination Settlement Proposal to Buyer within sixty (60) calendar days after the effective date of termination, unless Buyer approves a longer period in writing.

The Termination Settlement Proposal shall be prepared in accordance with generally accepted accounting principles and, where applicable, the requirements of the applicable Prime Contract, the Federal Acquisition Regulation (FAR), the Defense Federal Acquisition Regulation Supplement (DFARS), and any instructions provided by Buyer.

The Termination Settlement Proposal shall include, as applicable:

- a. A detailed statement of all completed and partially completed Goods and Services;
- b. An inventory of Work-in-Process, raw materials, purchased components, special tooling, special test equipment, and Buyer-Furnished Property;
- c. Documentation supporting all claimed costs, including direct labor, direct materials, subcontract costs, and other allowable costs directly attributable to the terminated Work;
- d. Credits, refunds, rebates, salvage value, proceeds from resale, and any other amounts reducing Seller's claimed costs;

- e. Documentation demonstrating Seller's reasonable efforts to mitigate termination costs, including cancellation or reassignment of purchase commitments and Subcontracts;
- f. A certification executed by an authorized representative of Seller stating that the settlement proposal is current, accurate, complete, prepared in good faith, and does not include costs that are unallowable, duplicated, or otherwise recoverable from another source.

Buyer may audit the supporting records in accordance with the audit and record retention requirements of this Purchase Order.

Buyer shall not be obligated to pay any costs that are unsupported, unreasonable, unallowable, avoidable, or inconsistent with the Purchase Order, applicable law, or the applicable Prime Contract.

Failure by Seller to submit a timely and adequately supported Termination Settlement Proposal may constitute a waiver of Seller's right to recover

Termination costs beyond amounts otherwise due for conforming Goods delivered and accepted or Services satisfactorily performed prior to the effective date of termination.

Nothing in this Section shall entitle Seller to recover anticipated profits, consequential damages, indirect damages, loss of future business, loss of opportunity, unabsorbed overhead, or other costs not expressly recoverable under the Purchase Order or applicable law.

Termination of the Purchase Order shall not affect either Party's rights to pursue any available contractual or legal remedies.

**20.12 Survival.** The obligations that by their nature survive termination, including those contained in **Sections 7 (Inspection, Testing, Acceptance, and Record Retention), 8 (Warranties), 9 (Government Contract Requirements), 12 (Export Control and Trade Compliance), 13 (Intellectual Property Rights), 14 (Confidentiality, Information Security, and Data Protection), 15 (Buyer-Furnished Property, Government Property, Tooling, and Materials), 16 (Insurance), 21 (Disputes), and any other provision intended to survive, shall remain in full force and effect following completion, expiration, cancellation, or termination of the Purchase Order.**

## **SECTION 21- DISPUTES, GOVERNING LAW, AND VENUE**

**21.1 Good Faith Resolution.** The Parties shall use 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 formal legal proceedings.

Neither Party shall be obligated to accept a settlement that it determines, in its sole discretion, is not in its best interests.

**21.2 Escalation of Disputes.** If a dispute cannot be resolved by the Parties' designated contract administrators within thirty (30) calendar days after written notice of the dispute, either Party may escalate the matter to senior management representatives with authority to resolve the dispute.

The Parties shall meet promptly and negotiate in good faith to resolve the matter before commencing litigation or other formal proceedings, unless immediate judicial relief is necessary.

**21.3 Continued Performance.** Pending final resolution of any dispute, Seller shall continue diligent performance of the Purchase Order, including the delivery of Goods and performance of Services, unless otherwise directed by Buyer in writing or unless performance has been suspended or terminated in accordance with the Purchase Order.

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

**21.4 Governing Law.** The Purchase Order, these Standard Terms and Conditions, and any dispute, claim, or controversy arising out of or relating to the Purchase Order, including its interpretation, construction, validity, performance, enforcement, or termination, shall be governed by and construed in accordance with the laws of the State of Texas, without giving effect to any conflict of laws principles that would require the application of the laws of another jurisdiction.

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

**21.5 Venue and Jurisdiction.** Subject to Section 21.2, the Parties irrevocably consent to the exclusive jurisdiction and venue of the state and federal courts located in the county and state where Buyer maintains its principal place of business, unless otherwise specified in the Purchase Order or required by applicable law.

Seller waives any objection based upon improper venue or forum non conveniens to the fullest extent permitted by applicable law.

**21.6 Equitable Relief.** Seller acknowledges that breaches involving Confidential Information, intellectual property, export-controlled information, Buyer-Furnished Property, or other proprietary rights may cause irreparable harm. Buyer shall be entitled to seek equitable relief, including temporary, preliminary, and permanent injunctive relief or specific performance, in addition to any other remedies available under the Purchase Order or applicable law. Accordingly, Buyer shall be entitled to seek temporary, preliminary, and permanent injunctive relief, specific performance, or other equitable remedies, without the necessity of posting bond or proving actual damages, in addition to any other rights and remedies available under the Purchase Order or applicable law.

**21.7 Attorneys' Fees and Costs.** Except as otherwise required by applicable law or expressly provided in the Purchase Order, each Party shall bear its own

attorneys' fees, expert fees, court costs, and litigation expenses incurred in connection with any dispute.

If applicable law permits the prevailing Party to recover attorneys' fees or costs, such recovery shall be determined by the court of competent jurisdiction.

**21.8 Limitation Period.** Seller shall provide written notice of any claim arising under the Purchase Order within the time required by applicable law and, in any event, not later than one (1) year after Seller knew or reasonably should have known of the facts giving rise to the claim, unless a shorter period is specified elsewhere in the Purchase Order or applicable law.

Failure to timely provide notice shall constitute a waiver of the claim to the extent permitted by applicable law.

**21.9 Government Contract Disputes.** Where the Purchase Order supports a United States Government Prime Contract or higher-tier subcontract, Seller acknowledges that Buyer is subject to the requirements of the applicable Prime Contract and the Contract Disputes Act, where applicable.

Seller shall cooperate fully with Buyer in the preparation, defense, or resolution of Government-related claims or disputes and shall not communicate directly with the Government concerning contractual disputes relating to the Purchase Order unless expressly authorized by Buyer or required by applicable law.

Nothing in this Section grants Seller any direct contractual relationship with the United States Government.

**21.10 Preservation of Rights.** The exercise or failure to exercise any contractual or legal right by either Party shall not constitute a waiver of any other right or remedy available under the Purchase Order or applicable law.

The rights and remedies provided under the Purchase Order are cumulative and are in addition to any rights or remedies available at law or in equity.

**21.11 Survival.** The obligations of Seller and the rights and remedies of Buyer under this Section shall survive completion, expiration, cancellation, or termination of the Purchase Order to the extent necessary to resolve pending disputes or enforce the provisions of the Purchase Order.

## **SECTION 23 – GENERAL PROVISIONS**

**23.1 Independent Contractor.** Seller is an independent contractor and nothing contained in the Purchase Order shall be construed to create any agency, partnership, joint venture, employment, or fiduciary relationship between the Parties. Seller shall have no authority to bind Buyer except as expressly authorized in writing.

**23.2 Assignment and Subcontracting.** Assignment and subcontracting shall be governed by **Section 10 – Subcontracting, Assignment, and Supply Chain Management**. Nothing in this Section limits Seller's responsibilities under Section 10.

**23.3 Waiver and Severability.** Failure by either Party to enforce any provision of the Purchase Order shall not constitute a waiver of any right or remedy. If any provision of the Purchase Order is determined to be invalid or unenforceable, the remaining provisions shall remain in full force and effect.

**23.4 Cumulative Remedies.** The rights and remedies provided in 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.

**23.5 Survival. Supplier Code of Conduct.** Any provisions of the Purchase Order that by their nature are intended to survive completion, expiration, cancellation, or termination, including those relating to confidentiality, intellectual property, warranties, indemnification, payment obligations, record retention, audit rights, export controls, dispute resolution, and applicable law, shall survive to the extent necessary to give them full effect.

**23.6 Entire Agreement.** These Standard Terms and Conditions, together with the Purchase Order and all documents incorporated by reference, constitute the entire agreement between Buyer and Seller with respect to the subject matter of the Purchase Order. In the event of any conflict, the order of precedence established in the Purchase Order shall govern unless otherwise expressly stated.

## **END OF STANDARD TERMS AND CONDITIONS**

These Standard Terms and Conditions, together with the Purchase Order and all documents incorporated by reference, constitute the entire agreement between Buyer and Seller with respect to the subject matter of the Purchase Order and shall be binding upon the Parties and their respective successors and permitted assigns.