

**IPS CUSTOM AUTOMATION
STANDARD TERMS AND CONDITIONS
COMMERCIAL
COMMERCIAL OFF-THE-SHELF (COTS)
PURCHASE ORDERS**

SECTION 1 - PURPOSE AND SCOPE. These Commercial and COTS Purchase Order Terms and Conditions ("Terms") establish the standard commercial terms governing the purchase by IPS Custom Automation ("Buyer") of Commercial Off-the-Shelf (COTS) products, commercial products, software, equipment, materials, and related services from suppliers, vendors, manufacturers, distributors, and service providers ("Seller"). These Terms apply when expressly incorporated into a Purchase Order and, together with the Purchase Order and other documents expressly incorporated by reference, form the Agreement between Buyer and Seller.

SECTION 2 - APPLICABILITY. These Terms apply to commercial purchases of products and services identified in the applicable Purchase Order. Any additional or different terms contained in Seller's quotation, proposal, acknowledgment, invoice, confirmation, website, catalog, or other document shall not apply unless expressly accepted in writing by an authorized representative of Buyer. In the event of a conflict with a separately executed written agreement signed by authorized representatives of both parties, that separately executed agreement shall govern to the extent of the conflict.

2.1 Government-Supported Purchases. When a Purchase Order supports a United States Government prime contract or higher-tier subcontract, applicable Government requirements shall apply only when expressly identified in the Purchase Order, incorporated through IPS-GF-001 - Supplemental Government Terms and Conditions for Purchase Orders and Subcontracts, or otherwise required by applicable law or regulation. The Purchase Order shall identify the applicable revision and any Purchase Order-specific Government requirements.

Typical applications include:

- Commercial services
- COTS products
- Industrial distributors
- OEM replacement parts
- Standard fabrication
- Standard machining
- Office equipment
- Maintenance materials
- Consumables
- Low-risk software licenses
- Routine installation services

SECTION 3- DEFINITIONS

3.1 "Agreement" means the Purchase Order, these Terms, and all specifications, Statements of Work, quotations, proposals, exhibits, attachments, or other documents expressly incorporated by reference into the Purchase Order.

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

3.3 “Commercial Off-the-Shelf (COTS) Products” means commercially available products sold in substantial quantities in the commercial marketplace without material modification.

3.4 “Products” means commercial products, equipment, hardware, software, licenses, and other tangible or intangible items supplied by Seller.

3.5 “Purchase Order” or “PO” means the written purchase order issued by Buyer, including these Terms and any specifications, drawings, Statements of Work, exhibits, attachments, supplemental terms, or other documents expressly incorporated by reference.

3.6 “Goods” means all products, materials, equipment, supplies, software, or other items to be furnished by Seller under the Purchase Order.

3.7 “Seller” means the individual, partnership, corporation, limited liability company, or other legal entity identified on the Purchase Order that agrees to furnish the Goods or Services.

3.8 “Services” means all labor, work, installation, repair, maintenance, engineering, consulting, technical, professional, or other services to be performed by Seller under the Purchase Order.

3.9 “Deliverables” means all Goods, Services, reports, documentation, drawings, software, data, or other work product required to be provided by Seller under the Purchase Order.

3.10 “Confidential Information” means any non-public business, commercial, financial, technical, operational, or proprietary information disclosed by either party to the other in any form that is identified as confidential or that a reasonable person would understand to be confidential based on its nature and the circumstances of disclosure.

SECTION 4 - ACCEPTANCE

4.1 Contract Formation. Buyer's Purchase Order constitutes an offer to purchase the Goods and/or Services described therein. Seller accepts the Purchase Order by written acceptance, commencement of performance, shipment of Goods, performance of Services, or other conduct reasonably indicating acceptance. Upon acceptance, the Purchase Order, these Terms, and all documents expressly incorporated by reference constitute the binding Agreement between the parties.

4.2 Entire Agreement. Upon Seller's acceptance, the Purchase Order, these Terms, and all documents expressly incorporated by reference constitute the entire agreement between the parties with respect to the applicable Goods and Services and supersede prior or contemporaneous discussions, negotiations, representations, proposals, and agreements concerning the same subject matter, except for any separately executed agreement expressly made controlling by the Purchase Order.

4.3 Conflicting Terms. Any additional, different, or inconsistent terms contained in Seller's quotation, proposal, acknowledgment, confirmation, invoice, correspondence, website, catalog, or other document are expressly rejected and shall have no force or effect unless specifically accepted in writing by an authorized representative of Buyer. Buyer's receipt, inspection, acceptance, payment, or other performance shall not constitute acceptance of Seller's additional or different terms.

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

- (a) Written Purchase Order modifications or amendments executed or issued by Buyer;
- (b) The Purchase Order, including any Purchase Order face sheet or special terms;
- (c) The applicable Statement of Work, Scope of Work, specifications, drawings, or technical requirements expressly incorporated by reference;
- (d) These Commercial and COTS Purchase Order Terms and Conditions; and
- (e) Seller's quotation or proposal, solely to the extent expressly incorporated by the Purchase Order. Seller's standard terms and conditions are excluded unless expressly accepted in writing by Buyer.

SECTION 5 - QUOTATIONS, PRICING, AND CHANGES

5.1 Quotations. Seller quotations and proposals shall remain valid for the period stated therein. A quotation or proposal does not create a binding obligation on Buyer. A binding Agreement is formed only upon Buyer's issuance of a Purchase Order and Seller's acceptance as provided in Section 4.1, unless otherwise agreed in a separately executed written agreement.

5.2 Pricing. Prices shall be those stated in the Purchase Order or in a Seller quotation or proposal expressly incorporated into the Purchase Order. Unless otherwise stated in the Purchase Order, prices are in U.S. dollars. Taxes, freight, shipping, insurance, handling, duties, and similar charges shall be allocated as expressly stated in the Purchase Order or incorporated delivery terms. Seller shall separately identify applicable taxes and charges on invoices unless Buyer has provided a valid exemption certificate.

5.3 Price Firmness. Unless the Purchase Order expressly provides otherwise, the price stated in an accepted Purchase Order is firm and fixed. Seller may not increase the price after acceptance without Buyer's prior written authorization. Any proposed adjustment shall identify the basis, amount, and schedule impact and shall not become effective unless incorporated by written modification.

5.4 Clerical Errors. Either party shall promptly notify the other of any suspected typographical, clerical, computational, or administrative error affecting the Agreement. No correction that changes price, scope, quantity, delivery, or other material terms shall be effective unless confirmed in writing by Buyer.

5.5 Additional Work. Seller shall not perform work outside the scope of the Purchase Order without Buyer's prior written authorization. Any authorized additional work shall be documented by written change or modification addressing, as applicable, revised scope, price, schedule, and other affected terms.

5.6 Changes to Orders. Buyer may, by written notice or Purchase Order modification, request changes to quantities, delivery, shipping, configuration, specifications, or other requirements within the general scope of the Purchase Order. If a requested change materially affects Seller's cost or schedule, Seller shall notify Buyer promptly and, in any event, before performing the changed work, with a reasonably supported request for adjustment. No adjustment is effective unless authorized in writing by Buyer. Suspension or cancellation shall be governed by the applicable Purchase Order and Section 23.

SECTION 6 - ORDERS

6.1 Seller Acceptance. Seller may decline a Purchase Order before acceptance. Once accepted, Seller shall not cancel or materially alter the Purchase Order except as expressly permitted by the Agreement, applicable law, or a written modification authorized by Buyer.

SECTION 7 - PAYMENT TERMS

7.1 Unless otherwise stated in the Purchase Order, payment terms are Net Thirty (30) calendar days after the later of: (a) Buyer's receipt of a proper and undisputed invoice; (b) Buyer's receipt and acceptance of the applicable Goods or Services; and (c) Buyer's receipt of any documentation required for payment.

7.2 Seller shall promptly notify Buyer of any disputed or past-due amount. Interest, late fees, finance charges, collection costs, or attorneys' fees shall apply only to the extent expressly agreed in the Purchase Order or otherwise required by applicable law.

7.3 Buyer may withhold payment of disputed amounts while the parties work in good faith to resolve the dispute. Buyer shall timely pay all undisputed amounts.

SECTION 8 - TAXES

Unless otherwise stated in the Purchase Order, Buyer shall be responsible for sales, use, excise, value-added, import, export, customs, or similar transaction taxes properly imposed on the sale or delivery of the Products or Services, excluding taxes imposed on or measured by Seller's net income, franchise taxes, and employment-related taxes. Seller shall separately identify applicable taxes on its invoice and shall apply any valid exemption certificate provided by Buyer.

SECTION 9 - DELIVERY

9.1 Delivery. Delivery dates or lead times expressly stated in the Purchase Order are contractual requirements unless identified as estimates. Seller shall use commercially reasonable efforts to meet the required delivery schedule and shall promptly notify Buyer in writing of any actual or anticipated delay, including the cause, expected duration, and proposed recovery action.

9.2 Risk of Loss and Title. Risk of loss and title shall pass in accordance with the delivery terms specified in the Purchase Order or expressly incorporated quotation. If no delivery term is stated, risk of loss shall pass to Buyer upon delivery and acceptance at the delivery location identified in the Purchase Order. Title shall pass free and clear of all liens and encumbrances upon the earlier of payment or delivery, unless otherwise stated in the Purchase Order.

9.3 Excusable Delay. Seller shall not be liable for delay to the extent caused by an event qualifying as Force Majeure under Section 22, provided Seller gives prompt written notice, uses commercially reasonable efforts to mitigate the delay, and resumes performance as soon as reasonably practicable.

SECTION 10 - COMMERCIAL OFF-THE-SHELF (COTS) PRODUCTS

10.1 COTS Products. COTS Products shall be new, genuine products and shall conform to the original manufacturer's published specifications and the configuration identified in the Purchase Order, unless otherwise expressly agreed in writing.

10.2 Manufacturer Warranties. Seller shall pass through to Buyer all transferable manufacturer warranties applicable to COTS Products and shall reasonably assist Buyer in obtaining warranty service.

10.3 Seller shall not reduce, disclaim, or modify an applicable manufacturer warranty on Buyer's behalf without Buyer's prior written agreement.

10.4 Software products are licensed, not sold, except to the extent otherwise expressly stated in the Purchase Order or applicable license agreement.

10.5 Software and Third-Party Licenses. Seller shall identify any material third-party software, firmware, open-source components, or separate license terms applicable to Products furnished under the Purchase Order before acceptance where reasonably practicable. Buyer's rights and obligations concerning such software shall be governed by the applicable license terms only to the extent those terms are expressly identified, legally applicable, and not inconsistent with the Purchase Order. Seller shall not knowingly provide software subject to terms that materially impair Buyer's intended use without prior written disclosure.

SECTION 11 - SERVICES AND INSURANCE

11.1 Services. Seller shall perform all Services in a professional and workmanlike manner using qualified personnel possessing the education, training, experience, and skill necessary to perform the Services in accordance with applicable industry standards and the Purchase Order.

Unless otherwise specified in the Purchase Order or Statement of Work ("SOW"):

- (a) Services shall be performed during Seller's normal business hours unless otherwise agreed in writing by the parties.
- (b) Any additional or out-of-scope Services requested by Buyer shall be subject to a mutually agreed written change order or other written amendment addressing the revised scope, pricing, schedule, and any other applicable terms.
- (c) **Buyer** shall provide Seller with reasonable access to its facilities, equipment, systems, and personnel, as reasonably necessary for Seller to perform the Services, provided such access complies with Buyer's applicable safety, security, and site access requirements.

11.2 Insurance. If Seller performs installation, commissioning, maintenance, repair, field service, training, or other on-site Services at Buyer's facilities, Seller shall maintain commercially reasonable insurance coverage appropriate to the nature of the Services being performed, including, at a minimum:

- (a) Workers' Compensation Insurance as required by applicable law;
- (b) Commercial General Liability Insurance with limits commercially reasonable for the Services being performed; and
- (c) Automobile Liability Insurance for vehicles used in connection with the Services, where applicable.

Upon Buyer's reasonable written request, Seller shall provide certificates of insurance or other reasonable evidence of coverage. Seller's insurance obligations do not limit or otherwise affect Seller's liability under the Purchase Order.

SECTION 12 - INSPECTION AND ACCEPTANCE

12.1 Buyer may inspect and test Goods and Services within a reasonable period after delivery or performance. Acceptance occurs when Buyer determines that the Goods or Services materially conform to the Purchase Order. Payment, receipt, inspection, use for evaluation, or failure to discover a latent defect does not constitute acceptance of nonconforming Goods or Services or waive Buyer's rights. Buyer shall notify Seller within a reasonable time after discovery of any shortage, defect, damage, or nonconformance. Seller shall promptly correct, replace, re-perform, or otherwise remedy accepted claims at no additional cost to Buyer, subject to applicable manufacturer warranty terms for COTS Products.

SECTION 13 - PRODUCT WARRANTY

13.1 Seller warrants that it has good title and authority to sell the Products; that Products furnished as new or OEM Products are genuine and free from liens and encumbrances; and that Products will conform to the model, part number, quantity, configuration, and other requirements expressly stated in the Purchase Order. For COTS Products, Seller shall also pass through all applicable transferable manufacturer warranties.

SECTION 14 - SERVICES WARRANTY

14.1 Seller warrants that Services will be performed in a professional and workmanlike manner in accordance with the Purchase Order and applicable industry standards. Unless otherwise stated in the Purchase Order, the Services warranty period is ninety (90) days following completion and acceptance of the applicable Services.

14.2 If Services fail to conform to this warranty, Seller shall, at Buyer's reasonable election, re-perform the affected Services or otherwise correct the deficiency at no additional cost. For defective Products, remedies shall include repair, replacement, warranty support, refund, or other remedy available under the Purchase Order, applicable manufacturer warranty, or applicable law, as appropriate to the circumstances.

SECTION 15 - WARRANTY LIMITATIONS

15.1 Except for the express warranties stated in the Purchase Order, these Terms, an applicable manufacturer warranty, or a separately executed agreement, neither party makes additional warranties beyond those imposed by applicable law. Nothing in this Section disclaims or limits Seller's obligations concerning title, authenticity, nonconforming Goods or Services, infringement indemnity, fraud, gross negligence, willful misconduct, or any warranty that cannot lawfully be disclaimed.

SECTION 16 - INTELLECTUAL PROPERTY

16.1 Each party retains all right, title, and interest in its pre-existing intellectual property, methodologies, documentation, software, templates, proprietary materials, and know-how. Seller retains ownership of its standard commercial intellectual property incorporated into the Products or Services, subject to Buyer's rights under the applicable Purchase Order and license terms.

16.2 No ownership rights are transferred except as expressly provided in the Purchase Order, an applicable license, or a separately executed written agreement. Seller grants Buyer the rights reasonably necessary to use documentation and other deliverables furnished with the Products or Services for Buyer's intended use, subject to applicable third-party license restrictions disclosed to Buyer.

SECTION 17 - CONFIDENTIALITY

Each party shall protect Confidential Information received from the other party using at least reasonable care and shall use such information solely for purposes of performing or administering the Agreement. Confidentiality obligations do not apply to information that the receiving party can demonstrate was lawfully known without restriction, independently developed, publicly available through no breach, or rightfully received from a third party without duty of confidentiality. Disclosure required by law is

permitted provided the receiving party gives notice when legally permitted and limits disclosure to what is legally required.

SECTION 18 - PUBLICITY

Neither party shall use the other party's name, trademarks, trade names, service marks, logos, or other proprietary identifiers in advertising, marketing materials, press releases, public announcements, or promotional activities without the prior written consent of the other party, except as required by applicable law.

SECTION 19 - EXPORT COMPLIANCE

Seller shall comply with all export control, economic sanctions, import, customs, and trade laws applicable to the Products or Services and Seller's performance. Seller shall promptly notify Buyer of any export classification, license restriction, embargo, sanction, or other trade-control requirement that materially affects delivery, transfer, access, or use of the Products or Services.

SECTION 20 - LIMITATION OF LIABILITY

20.1 To the maximum extent permitted by applicable law, neither party shall be liable to the other for indirect, incidental, special, exemplary, punitive, or consequential damages, including lost profits or loss of business opportunity, arising from the Agreement, except to the extent such damages are payable to a third party under an indemnified claim or result from fraud, gross negligence, willful misconduct, breach of confidentiality, infringement or misappropriation of intellectual property, bodily injury, property damage, or obligations that cannot lawfully be limited.

20.2 No monetary cap on Seller's direct liability shall apply unless expressly stated in the Purchase Order or a separately executed written agreement. Any agreed limitation shall not apply to liabilities expressly excluded from limitation under Section 20.1.

20.3 Nothing in this Section limits Buyer's obligation to pay undisputed amounts properly due for conforming Goods or Services accepted under the Purchase Order.

SECTION 21 - INDEMNIFICATION

21.1 Buyer Indemnification. Buyer shall indemnify, defend, and hold harmless Seller from third-party claims to the extent directly caused by:

- (a) Buyer's negligent misuse or unauthorized material modification of the Products after delivery;
- (b) Buyer-furnished designs, drawings, specifications, data, software, or materials that infringe a third party's intellectual property rights, except to the extent Seller knew or reasonably should have known of the infringement and failed to notify Buyer; or
- (c) Buyer's gross negligence or willful misconduct.

Buyer shall have no indemnity obligation to the extent a claim results from Seller's acts, omissions, breach, negligence, nonconforming Products or Services, or failure to follow the Agreement.

21.2 Seller Indemnification. Seller shall indemnify, defend, and hold harmless Buyer, its affiliates, customers, officers, directors, employees, agents, successors, and assigns from third-party claims, damages, losses, liabilities, costs, and reasonable attorneys' fees to the extent arising from:

- (a) bodily injury, death, or property damage caused by Seller or its personnel, subcontractors, Products, or Services;

- (b) defective or nonconforming Products or Services attributable to Seller;
- (c) actual or alleged infringement or misappropriation of third-party intellectual property rights by Products, Services, or deliverables furnished by Seller, except to the extent caused solely by Buyer-furnished designs or specifications;
- (d) Seller's violation of applicable law, breach of confidentiality, gross negligence, fraud, or willful misconduct.

SECTION 22 - FORCE MAJEURE

Neither party shall be liable for delay or failure to perform to the extent caused by an event beyond its reasonable control that could not have been reasonably avoided or overcome, including natural disasters, war, terrorism, governmental embargoes or orders, widespread transportation or utility failures, or comparable events. The affected party shall promptly notify the other, describe the expected impact, use commercially reasonable efforts to mitigate and resume performance, and continue all unaffected obligations. Force Majeure does not excuse payment obligations for Goods or Services already accepted.

SECTION 23 - TERMINATION AND CANCELLATION

23.1 Termination for Cause. Either party may terminate the Agreement for material breach if the breach remains uncured thirty (30) calendar days after written notice, or sooner if the breach is incapable of cure. Buyer may terminate immediately for fraud, willful misconduct, insolvency, debarment or exclusion affecting performance, repeated material nonconformance, or other grounds expressly stated in the Purchase Order.

23.2 Buyer Cancellation / Termination for Convenience. Buyer may cancel an unaccepted Purchase Order without liability. After acceptance, Buyer may terminate all or part of a Purchase Order for convenience by written notice. Buyer shall pay for conforming Goods delivered and accepted and Services satisfactorily performed through the effective termination date. Any additional cancellation, restocking, or unavoidable committed cost is recoverable only to the extent expressly stated in the Purchase Order or reasonably supported, non-cancelable, actually incurred, and approved by Buyer in writing. Seller shall mitigate termination costs and shall not recover anticipated profit on unperformed work.

SECTION 24 - GOVERNING LAW

This Agreement and any dispute, claim, or controversy arising out of or relating to this Agreement, the Purchase Order, or the Products or Services provided hereunder shall be governed by and construed in accordance with the laws of the State of Texas, without regard to its conflict of laws principles.

Unless otherwise agreed in writing by the parties, the state and federal courts located in Tarrant County, Texas, shall have exclusive jurisdiction and venue over any legal action or proceeding arising under or relating to this Agreement, and each party irrevocably consents to the jurisdiction of such courts.

SECTION 25 - DISPUTE RESOLUTION

25.1 Good Faith Negotiation. The parties shall use reasonable efforts to resolve any dispute, claim, or controversy arising out of or relating to this Agreement through good faith negotiations between representatives authorized to settle the dispute.

25.2 Legal Remedies. If the parties are unable to resolve the dispute through negotiation within thirty (30) calendar days after written notice of the dispute, either party may pursue any remedies available at law or in equity.

25.3 Venue. Any legal action or proceeding arising out of or relating to this Agreement shall be brought exclusively in the state or federal courts located in Tarrant County, Texas, and each party irrevocably submits to the jurisdiction and venue of those courts.

25.4 Continued Performance. To the extent reasonably practicable, the parties shall continue to perform their respective obligations under this Agreement during the resolution of any dispute unless the Agreement has been terminated or continued performance is impracticable.

SECTION 26 - COMPLIANCE WITH LAWS

26.1 Each party shall comply with all federal, state, local, and international laws, regulations, ordinances, and governmental requirements applicable to its performance under the Agreement.

26.2 Without limiting the foregoing, each party shall comply with applicable anti-bribery, anti-corruption, anti-kickback, anti-money laundering, economic sanctions, export control, import, customs, labor, employment, environmental, health, and safety requirements applicable to its performance.

26.3 Neither party shall knowingly engage in any activity that would cause the other party to violate applicable law. Seller shall promptly notify Buyer if Seller becomes aware of any legal or regulatory restriction materially affecting performance of the Purchase Order.

26.4 Anti-Bribery and Anti-Corruption. Each party represents and covenants that it and persons acting on its behalf shall not offer, promise, authorize, solicit, accept, or provide any bribe, kickback, improper payment, or anything of value for the purpose of improperly obtaining or retaining business, influencing an official or commercial decision, or securing an improper advantage. Each party shall comply with applicable anti-bribery and anti-corruption laws, including the U.S. Foreign Corrupt Practices Act and other laws applicable to its performance.

SECTION 27 - ASSIGNMENT

Seller shall not assign, delegate, or transfer the Purchase Order or any material obligation without Buyer's prior written consent, which shall not be unreasonably withheld where the proposed assignee is capable of performance. Buyer may assign the Agreement to an affiliate, successor, customer, or purchaser of the applicable business or program upon written notice to Seller. No permitted assignment relieves the assigning party of obligations accrued before the assignment unless expressly agreed in writing.

SECTION 28 - ENTIRE AGREEMENT AND MODIFICATIONS

The Purchase Order, these Terms, and all documents expressly incorporated by reference constitute the entire Agreement concerning the applicable Goods and Services and supersede prior discussions or agreements on the same subject matter, except for a separately executed agreement expressly made controlling by the Purchase Order.

No amendment, modification, or waiver affecting price, scope, quantity, delivery, configuration, or other material obligations shall be effective unless made in writing by an authorized representative of Buyer and, where required by the Agreement, accepted by Seller.

SECTION 29 - ELECTRONIC TRANSACTIONS

The parties agree that electronic signatures, electronic records, electronic purchase orders, electronic acceptances, and electronic communications shall have the same legal force and effect as original signed documents to the fullest extent permitted by applicable law.

SECTION 30 - NOTICES

All notices required or permitted under this Agreement shall be in writing and shall be deemed given when personally delivered, sent by nationally recognized overnight courier, mailed by certified mail (return receipt requested), or transmitted electronically with confirmation of receipt to the addresses identified in the applicable Purchase Order or other written agreement, unless either party designates a different address by written notice.

SECTION 31 - NO WAIVER

Failure by either party to enforce any provision of this Agreement or to exercise any right or remedy shall not constitute a waiver of that provision, right, or remedy, nor shall any waiver be deemed a continuing waiver unless expressly stated in writing.

SECTION 32 - INDEPENDENT CONTRACTOR

The parties are independent contractors. Nothing contained in this Agreement shall be construed to create any partnership, joint venture, agency, fiduciary, or employment relationship between the parties. Neither party shall have authority to bind or obligate the other except as expressly authorized in writing.

SECTION 33 - SEVERABILITY

If any provision of these Terms and Conditions is held unenforceable, the remaining provisions shall remain in full force and effect.

SECTION 34 - SURVIVAL

Provisions that by their nature are intended to survive completion, expiration, or termination shall survive, including payment obligations, confidentiality, intellectual property, warranties, indemnification, limitation of liability, governing law, dispute resolution, audit or record obligations expressly incorporated into the Purchase Order, and accrued rights and remedies.