

## **PURCHASE ORDER TERMS AND CONDITIONS – GENERAL PROVISIONS**

1. **Review of Purchase Order.** Seller acknowledges that it has reviewed the terms and conditions of this Purchase Order/Agreement.
2. **Title of Goods.** Immediately prior to the transfer of ownership to Buyer of any and all goods purchased hereunder, Seller shall have good and marketable title to such goods, free and clear of all pledges, liens, security interests, claims and other restrictions or encumbrances or charges of any kind.
3. **Price.** The price payable to Seller for completing this Purchase Order is a fixed price. All charges for packing, boxing, crating and shipping are deemed to be included therein, and no additional charges of any kind, including, without limitation, charges for boxing, packing, cartage, additional quantity, insurance of any kind upon safe delivery of any shipment or other charges or expenses will be allowed unless specifically agreed to in writing in advance by Buyer. Except as may be otherwise provided in this Purchase Order, the price includes all applicable federal, state and local taxes occasioned by this Purchase Order.
4. **Delivery of Goods.** Firm delivery requirements will be issued by Buyer. Failure to comply with the delivery requirements may be deemed a material breach of this Purchase Order by Seller. Time is therefore of the essence regarding this Purchase Order. If Seller defaults in delivery of goods, Buyer may cancel this Purchase Order, purchase similar goods and materials from any other person and hold Seller accountable for any damages. Delivery will be F.O.B. at a time and place directed by Buyer. Goods purchased hereunder must be shipped complete and in the proper sequence. All materials delivered shall have attached identifications. If applicable, Seller shall furnish to Buyer copies of the instructions, operation and maintenance manuals. These manuals shall include drawings of all equipment. Any and all samples, test reports, certificates of compliances, warranties, guarantees, or the like, in connection with the goods purchased hereunder shall be furnished at no additional cost. Seller shall be strictly liable for any excess shipping charges incurred and also for any damages or loss sustained in transit, storage, delivery or otherwise as a consequence of improper packaging, boxing, crating or shipping on Seller's part. Buyer shall not be liable for any delays, suspensions, or cost escalations. If delivery hereunder is made by the vehicles or conveyances of Seller or its carrier, Seller shall be responsible for any injury or damage to persons or property resulting from the operation of said vehicles while on the premises of Buyer, the site of delivery, or trucking to or from said site.
5. **Termination.** This Purchase Order may be terminated at any time by Buyer without cause, and Seller shall be entitled to payment only for the goods delivered and accepted by Buyer pro-rated to the total price and in no case to profit on undelivered goods.
6. **Indemnification.** To the fullest extent permitted by law, Seller agrees to indemnify, hold harmless and defend, at Seller's cost, Buyer, its officers, directors, employees, agents, representatives, affiliates, parents and subsidiaries and any person using or selling Buyer's products from and against any and all liability for loss, damage, attorneys' fees or expense which such person or entity may suffer or be held liable for reason of (a) any breach by Seller or any representations, warranties or covenants of Seller pursuant to this Purchase Order, (b) injury (including, without limitation, death) to any person (including, without limitation, Seller's employees), (c) damage to any property arising out of or in any manner connected with the delivery of the goods whether or not due, in whole or in part, to any act, omission, negligence or strict liability of Buyer, or any of Buyer's representatives, employees or subcontractors, whether known or unknown to Buyer and/or Seller or (d) negligence, recklessness, strict liability or intentional misconduct on the part of Seller or its affiliates, officers, directors, employees, agents, representatives, parents or subsidiaries.
7. **Warranties: Guarantees.** Seller hereby warrants, and each such warranty shall survive delivery by Seller and payment therefore by Buyer, that the goods purchased hereunder shall be in full conformity with Buyer's specifications, drawings and instructions, free from defects, patent or latent, and are merchantable and suitable for their intended use. Seller further guarantees that any machinery, equipment, devices, etc., purchased hereunder will strictly comply with all applicable safety requirements and standards. Furthermore, any warranty or guarantee supplied to Seller by a third party, including, without limitation, any supplier of Seller, in connection with the goods, in whole or part, purchased hereunder shall transfer to Buyer to the fullest extent permitted or be held by Seller in Buyer's benefit.
8. **Rights and Remedies Reserved to Buyer.** Buyer (and at Buyer's option, Buyer's client) shall have the right to inspect and approve any of the goods so purchased both during the process of manufacture or performance, as the case may be, and in the completed stage, at either Seller's location, Buyer's location or in transit, with the right reserved to Buyer to reject the goods, in whole or in part, within a reasonable time following actual discovery of any patent or latent defect therein. In case of the purchase of any goods which may be found defective, whether used or unused, Buyer, at its option, may either return to Seller all or any part thereof for credit by Seller to Buyer or hold all or any part thereof at Seller's disposition and, in either such event, terminate the contract without further liability to Buyer. All goods so rejected, whether returned to Seller or held by Buyer at Seller's disposition, shall be credited by Seller to Buyer at the price or prices charged hereunder plus any expense reasonably incurred by Buyer in the inspection, receipt, transportation, care or custody thereof. In the event that the credits to which Buyer is entitled as a consequence of such rejection exceed the sums owing by Buyer to Seller, then, Seller shall refund forthwith to Buyer all such excess credits. Seller, in addition to all other guarantees and warranties contained in this Purchase Order, as well as those imposed by law, and not in limitation of Buyer's other legal rights, warranties, and guarantees, warrants and guarantees that it shall perform at Buyer's request, for a minimum of one year after the date of final acceptance of goods purchased pursuant to this Purchase Order, any corrective work regarding such goods purchased that are discovered to be defective or not in compliance with Buyer's purchase requirements, applicable safety requirements or standards or applicable laws, rules or regulations, without cost and as directed by Buyer, except where such defect is due solely to Buyer's gross negligence in storage of such goods. Buyer may demand assurance by bond or otherwise, from Seller that it will abide by its guarantees and warranties. The remedies herein reserved to Buyer shall be cumulative and additional to any other remedies provided in law or equity, and no waiver by Buyer of a breach of any provision of this Purchase Order shall constitute a waiver of any other breach of any other provision hereof.
9. **Intellectual Property.** Seller warrants that the sale or use of the goods purchased hereunder will not infringe any patent, copyright, trademark or other intellectual property right, whether registered either in the United States or any foreign country or unregistered, and Seller hereby agrees to indemnify and save harmless and promptly and punctually to defend, at Seller's cost,

## PURCHASE ORDER TERMS AND CONDITIONS – GENERAL PROVISIONS

Buyer, its affiliates and their respective employees, officers, directors, agents, representatives, parents, subsidiaries and affiliates, and any person selling or using Buyer's products from any losses, damages, claims, liabilities, charges, actions, suits, proceedings, fines, penalties, costs, expenses (including, without limitation, attorneys' fees, cost and expenses), settlement amounts and other amounts, including, without limitation, costs and expenses and claims for profits, by reason of any actual or alleged infringement by Buyer or persons selling or using Buyer's products of any patent, copyright, trademark or other intellectual property right, whether registered either in the United States or any foreign country or unregistered, applicable to the use or sale of the goods purchased hereunder.

10. Supplier Information. If requested by Buyer, Seller shall furnish Buyer within 10 days complete information regarding sources of supply for all purchased materials required for its performance under this Purchase Order, including names and addresses or sources, responsible persons representing sources, and purchase order and shipping data provided, however that Seller shall not be required hereunder to release information concerning prices of costs of such purchased materials.
11. Assignments. This Purchase Order, or any of Seller's rights or obligations created hereunder, may not be assigned or transferred, by operation of law or otherwise, by Seller without Buyer's prior written consent, which consent may be withheld in Buyer's sole discretion. If Seller attempts to assign or transfer this Purchase Order without the prior written consent of Buyer, such assignment or transfer shall be null and void and have no legal effect.
12. Amendment. Subject to applicable law, the terms and conditions of this Purchase Order may be amended, modified or supplemented only by written agreement of the parties herein.
13. Rental Equipment. In the event this Purchase Order includes the leasing, renting or use of rental equipment, Seller and any person providing the rental equipment shall assume the responsibility for providing insurance in the amount of the full value of said equipment and shall hold Buyer harmless from any damage or loss to said equipment whether or not such damage or loss was caused in whole or in part by the negligence, strict liability or other actions or inactions of Buyer. Any conflict that may exist between the terms and conditions hereof and any additional lease, rental agreement or other document pertaining to the use of rental equipment shall be resolved in accordance with the terms and conditions of this Purchase Order.
14. Insurance. (a) Seller shall maintain insurance coverage of at least the following amounts: (i) Commercial General Liability Insurance with a minimum Limit of Liability of \$1,000,000 each occurrence, \$1,000,000 Products/Completed Operations Aggregate Limit and \$2,000,000 general Aggregate Limit; (ii) Commercial Automobile Liability Insurance including Owned, Hired and Non-Owned Vehicles with a minimum limit of \$1,000,000 each accident; (iii) Workers' Compensation Insurance which provides Statutory Benefits and Employers Liability Insurance with limits of \$500,000 (each accident and each employee by disease) and (iv) any other insurance as may be required by law. (b) Seller shall provide its own Property Insurance on all materials that are part of this Purchase Order until such time as the materials are accepted by Buyer. In addition, Seller is required to provide its own Property Insurance for its own equipment, materials and tools that are used by Seller in connection with the delivery of such materials that are not part of this Purchase Order. (c) Seller waives all rights of recovery or subrogation against Buyer for damage caused by fire or other perils to the extent covered by insurance obtained pursuant to this Purchase Order, whether or not such damage was caused by the negligence, strict liability or other actions or inactions of Buyer or not.
15. Compliance with Laws. Seller shall in the fulfillment of this Purchase Order comply with all applicable federal, state and local laws, rules, order and regulations.
16. Litigation. In the event of litigation between Buyer and Seller, if Buyer prevails, Seller will be liable for all awards or judgments as well as professional fees and costs including, without limitation attorney's fees, incurred by Buyer, Seller also consents to join in any proceeding brought against Buyer by any party arising out of the work or any claim related thereto.
17. Confidentiality. Each party agrees that it will not use, other than for purposes of the business relationship, or reveal or make known to any persons, firm or entity, other than such party's employees with a need to know, any Confidential/Proprietary Information (as defined herein) disclosed to it by the other in connection with this Purchase Order. "Confidential/Proprietary Information" includes, without limitation, information that relates to the financial status, business plan, product research and development plans, client relationships, supplier relationships, project or sales opportunities, proposal or bid strategies, or corporate strategies, and any other information that has been marked "Confidential or Proprietary" by the disclosing party, or if orally disclosed identified as confidential at the time of disclosure. Each party agrees to use at least the same degree of care to avoid disclosure or dissemination of the other party's Confidential/Proprietary Information, but in no event less than a reasonable degree of care. Notwithstanding anything to the contrary set forth herein, Confidential/Proprietary Information does not include and the obligations of this Purchase Order shall not apply to any information that (a) at the time of disclosure, is part of the public domain, (b) subsequent to the time of disclosure, becomes part of the public domain other than through breach of the receiving party, (c) is furnished to the receiving party by a third party who is in lawful possession of such information and who lawfully conveys that information or (d) is required to be disclosed by any applicable court order, state rule or regulation of any court of competent jurisdiction or federal rule or regulation of any court of competent jurisdiction.
18. Severability. Except for Section 2, any provisions of this Purchase Order that are determined to be invalid or unenforceable in any jurisdiction shall be ineffective to the extent of such invalidity or unenforceability in such jurisdiction, without rendering invalid or unenforceable the remaining provisions hereof or affecting the validity or enforceability of any of the provisions of this Purchase Order in any other jurisdiction.
19. Third Party Beneficiaries. Except as expressly stated herein, nothing in this Purchase Order is intended to confer benefits, rights or remedies unto any person, firm or entity other than the parties hereto or their permitted successors or assigns.
20. Conflict with a Master Agreement between the parties. Any conflict that may exist between the terms and conditions hereof and the terms and conditions of any master supplier agreement between the parties hereto and pertaining to the sale of the goods purchased hereunder shall be resolved in accordance with the terms and conditions of such master supplier agreement.

## PURCHASE ORDER TERMS AND CONDITIONS – GENERAL PROVISIONS

21. Governing Law. This Purchase Order shall be governed by and construed in accordance with the laws of the State of Tennessee (regardless of the laws that might otherwise govern under applicable Tennessee principles of conflicts of law) as to all matters, except where Tennessee law is preempted by federal law, in which event federal law shall govern.

22. Headings. The headings contained in this Purchase Order are solely for the purpose of reference, are not part of the agreement of the parties and shall not in any way affect the meaning or interpretation of this Purchase Order.

23. Resolution of Disputes.

(a) Seller and Buyer agree to make good-faith efforts to settle any dispute or claim that arise under this Agreement through discussion and negotiation. If such efforts fail to result in a mutually agreeable resolution, the parties shall consider the use of alternative disputes resolution (ADR). In the event non-binding mediation or arbitration is agreed upon, the site of the proceedings shall be Oak Ridge, Tennessee. Cost shall be allocated by the mediator or arbitrator, except that there shall be no pre-decisional interest costs, and each party shall bear its discretionary costs.

(b)(1) Where Seller is a State agency, such as an Educational Institution, the applicable constitutional provisions or statutes that govern sovereign immunity shall dictate the appropriate forum and law governing substantive issues. (2) In all other cases, subject to (b)(3) below, any litigation shall be brought and prosecuted exclusively in Federal District Court, with venue in the United States Court for the Eastern District of Tennessee, Northern Division; (3) provided, however, that in the event the requirements for jurisdiction in Federal District Court are not present, such litigation shall be brought in Anderson County, Tennessee, in the Circuit or Chancery Court, as appropriate.

(c) The parties agree that, subject to (b)(1), substantive issues presented for mediation, arbitration, dispute, claim, litigation, or other effort at resolution shall be determined in accordance with Federal law. To the extent there is no Federal law, Tennessee state law shall apply.

(d) There shall be no interruption in the performance of the work, and Seller shall proceed diligently with the performance of this Agreement pending final resolution of any dispute arising under this Agreement between the parties hereto or between Seller and its sub-tier subcontractors.

24. Order of Precedence. Any inconsistencies between sections of the Agreement shall be resolved in accordance with the following descending order of precedence:

- (a) Special Provisions;
- (b) Inspection and Acceptance;
- (c) Agreement Form; Supplies or Services and Prices/Costs; Delivery, Shipping, Packaging; Performance Period/Payment Information; List of Attachments;
- (d) General Provisions;
- (e) Specifications/Statement of Work.

25. Acceptance of Terms and Conditions. Seller, by signing this Agreement, delivering the supplies, or performing the

requirements indicated herein, agrees to comply with all the terms and conditions and all specifications and other documents that this Agreement incorporates by reference or attachment. Buyer hereby objects to any terms and conditions contained in any acknowledgment of this Agreement that are different from or in addition to those mentioned in this document. Failure of Buyer to enforce any of the provisions of this Agreement shall not be construed as evidence to interpret the requirements of this Agreement, nor a waiver of any requirement, nor of the right of Buyer to enforce each and every provision. All rights and obligations shall survive final performance of this Agreement.

26. Payment. Buyer shall make payments monthly, or at more frequent intervals as determined by Buyer. Unless otherwise provided, terms of payment shall be net 30 days from the latter of (1) submission of Seller's proper invoice, if required (unless such invoice is not approved), or (2) delivery of supplies/completion of work if invoice is not required. Any offered discount shall be taken if payment is made within the discount period that Seller indicates. Payments may be made either by check or electronic funds transfer, at the option of Buyer. Payment shall be deemed to have been made as of the date of mailing or the date on which an electronic funds transfer was made. Buyer may deduct from any amount owed to Seller any amount owed to Buyer whether or not in connection with this Agreement.

27. Termination for Default.

(a) Except for Agreements with educational and other non-profit institutions, Buyer may terminate this Agreement for default, in whole or in part, if Seller (1) fails to supply enough properly skilled workers or proper materials or equipment so as to endanger performance of this Agreement; (2) fails to make payment to subcontractors for materials or labor in accordance with the respective agreements between the Seller and the subcontractors; (3) disregards applicable laws, ordinances, rules, regulations, directives, or orders or instructions of the Buyer; (4) fails to adhere to the time specified in this Agreement for performance of services or delivery of supplies; (5) fails to comply with any of the terms of this Agreement; or (6) fails to perform satisfactorily under this Agreement. In the event, Buyer shall not be liable for any services or supplies not accepted.

(b) If this Agreement is terminated for default, Buyer may require Seller to transfer title and deliver to Buyer any supplies and materials, manufacturing materials, manufacturing drawings, and contract rights that Seller has specifically produced or acquired for the terminated portion of this Agreement. Buyer shall pay the agreed-upon price for services performed and accepted in addition to completed supplies delivered and accepted. Buyer and Seller shall agree on the amount of payment for all other deliverables.

(c) Except for defaults of sub-tier subcontractors, Seller shall not be in default because of failure to perform if the failure arises from causes beyond Seller's reasonable control and without its fault or negligence. Seller will not be deemed to be in default for failure to perform caused by the failure of a sub-tier subcontractor if the failure was beyond the control of both Seller and sub-tier subcontractor and without the fault or negligence of either; however, Seller will be in default if Buyer directed Seller to purchase these supplies or services from another source and Seller failed to comply. A termination which was originally determined to be for default shall be treated as a termination for convenience if the Seller was not in default. (d) The rights and

## PURCHASE ORDER TERMS AND CONDITIONS – GENERAL PROVISIONS

remedies of Buyer in this clause are in addition to any other rights and remedies provided by law or under this Agreement.

28. Termination for Convenience. Buyer reserves the right to terminate this Agreement, or any part hereof, for the convenience of itself or the Buyer's client. In the event of such termination, the Buyer shall deliver a notice specifying the extent and effective date. Seller shall immediately stop all work terminated and shall immediately cause any and all of its affected suppliers and subcontractors to cease work. Subject to the terms of this Agreement, Seller shall be paid a percentage of the price reflecting the percentage of the work performed prior to the notice of termination, plus reasonable charges that Seller can demonstrate to the satisfaction of Buyer using its standard record keeping system, have resulted from the termination. Seller shall within 6 months of the effective date of the termination submit a final settlement proposal to Buyer. Seller shall not be paid for any work performed or cost incurred which reasonably could have been avoided. In no event shall the agreed amount exceed the total price of the Agreement.
29. Bankruptcy. If Seller enters into any proceeding relating to bankruptcy, it shall give written notice via certified mail to the Subcontract Administrator within five days of initiation of the proceedings. The notification shall include the date on which the proceeding was filed, the identity and location of the court and a listing, by Buyer Agreement numbers, of all Buyer Agreements for which final payment has not been made.
30. Changes.
- (a) Buyer may, at any time, by written notice, make changes within the general scope of this Agreement in any one or more of the following: (1) description of the work to be performed, (2) method and manner of performance, and (3) the amount of work to be furnished. If any such change causes a difference in the cost, or the time required for performance, an equitable adjustment shall be made in the price and/or delivery schedule and other affected provisions. Such adjustment shall be made by written amendment to this Agreement signed by both parties. Any claim for adjustment by Seller must be made within 30 days from the date of receipt of Buyer's change notice, although Buyer in its sole discretion may receive and act upon any claim for adjustment at any time before final payment. Failure to agree to any adjustment shall be settled in accordance with paragraph 23 above.
- (b) Only the Procurement Representative is authorized on behalf of Buyer to issue changes whether formal or informal. If Seller considers that any direction by Buyer personnel constitutes a change, Seller shall not rely upon such instruction or direction without written confirmation from the Procurement Representative. Nothing in this clause, including any disagreement with Buyer about the equitable adjustment, shall excuse Seller from proceeding with the Agreement as changed.
31. EAR / ITAR. When indicated on the Purchase Order, information included in drawings and/or other documents delivered with the Purchase Order are subject to the Export Administration Regulations (EAR) (15 CFR parts 730-774) or the International Traffic in Arms Regulations (ITAR) (22 CFR parts 120-130). The supplier shall comply with all applicable laws and regulatory export-controlled items. Transfer of this information to a foreign person or foreign entity requires an export license by the U.S. State Department, or an ITAR exemption to the license requirement, prior to export or transfer.
32. DRC Conflict Free. Oak Ridge Tool – Engineering, Inc. embraces the Dodd Frank Act's objective of preventing armed groups in Covered Countries from benefitting from the sourcing of Conflict Minerals from that region. We are committed to responsible sourcing of materials, including Conflict Minerals, and we expect our suppliers to be equally committed. With this in mind, Oak Ridge Tool – Engineering, Inc. directs our suppliers to be "DRC Conflict Free" so we can provide reasonable assurance to our customers that their products are "DRC Conflict Free". We will collect information from our supply chain and implement due diligence measures to identify sources of these minerals and eradicate their use.
33. Counterfeit Part, Material, and Work Avoidance Certificate  
The supplier's Certification of Conformance represents that the shipment does not contain any 'suspect' or 'known' Counterfeit Part, Material, or Work\* and ensures that parts, material or work are procured only through Original Equipment Manufacturers (OEMs) / Original Component Manufacturers (OCMs) or their Franchised Distributors or Authorized Supplier. Any use of other than an Authorized Supplier\* requires Oak Ridge Toolr Engineering, Inc. written approval prior to procurement and use, which shall be contained within the deliverable data package. The supplier shall verify the procurement source and associated certifying documentation. The Supplier's receiving inspection process shall utilize incoming inspection or test methods, or both, to detect potential counterfeit parts, material or work. The supplier shall flow this clause in its entirety or equivalent down to all lower tier subcontracts to prevent the inadvertent use of Counterfeit Parts, Material or Work. When an Authorized Supplier is not utilized by the supplier's lower tier, the supplier shall provide a copy of the risk assessment and their written approval within the deliverable data package.
34. Control of Government or CustomerU Supplied Property  
All Government or Customer Supplied property in supplier's possession must be controlled according to FAR 52.245r 1(f) (1) (iii) (A).
35. DFARS for the Apache Program  
The following additional clauses apply to this contract. If any of the clauses are expressly made inapplicable by a threshold amount or other limitation, they shall be self-deleting.
- DFARS 252.225-7007
  - DFARS 252.225-7008
  - DFARS 252.225-7009
  - DFARS 252.225-7052
36. Lockheed Martin Corp Doc 3 and Corp Doc 3A  
These Lockheed Martin Terms and Conditions are incorporated herein by reference. A copy may be obtained from: <https://www.lockheedmartin.com/en-us/suppliers/documentation/2022tandc.html>