

## Purchase Order Terms and Conditions

### 1. ACCEPTANCE OF CONTRACT/TERMS AND CONDITIONS

- (a) This Contract integrates, merges, and supersedes all prior offers, negotiations, and agreements concerning the subject matter hereof and constitutes the entire agreement between the parties.
- (b) Seller's acknowledgment, acceptance of payment, or commencement of performance shall constitute Seller's unqualified acceptance of this Contract.
- (c) Unless expressly accepted in writing by **The Coating House, (TCH)** additional or differing terms or conditions proposed by Seller or included in Seller's acknowledgment are objected to by **TCH** and have no effect.

### 2. APPLICABLE LAWS

(a) This Contract and any matter arising out of or related to this Contract shall be governed by the laws of the State of Massachusetts, without regards to its conflicts of law's provisions, except that any provision in this Contract that is: (i) incorporated in full text or by reference from the Federal Acquisition Regulation (FAR); or (ii) incorporated in full text or by reference from any agency regulation that implements or supplements the FAR or; (iii) substantially based on any such agency regulation or FAR provision, shall be construed and interpreted according to the federal common law of government contracts as enunciated and applied by federal judicial bodies, boards of contract appeals, and quasi-judicial agencies of the Federal Government.

(b) Seller, in the performance of this Contract, shall comply with all applicable local, state, and federal laws, orders, rules, regulations, and ordinances. Seller shall procure all licenses/permits, pay all fees and other required charges, and comply with all applicable guidelines and directives of any local, state, and/or federal governmental authority. Seller, at its expense, shall provide reasonable cooperation to TCH in conducting any investigation regarding failure by Seller or its personnel to comply with applicable local, state, and federal laws, orders, rules, regulations, and ordinances that affect the performance of Seller's obligations under this Contract.

(c)(1) If, as a result of any violation of applicable laws, orders, rules, regulations, or ordinances by Seller, its officers, employees, agents, suppliers, or subcontractors at any tier: (i) The Coating House's contract price or fee is reduced; (ii) The Coating House's costs are determined to be unallowable; (iii) any fines, penalties, withholdings, or interest are assessed on The Coating House; or (iv) TCH incurs any other costs or damages; TCH may make a reduction of corresponding amounts (in whole or in part) owed under this Contract or any other contract with Seller, and/or may demand payment (in whole or in part) of the corresponding amounts. Seller shall promptly pay amounts so demanded.

(2) For Non-Commercial Items only, where submission of cost or pricing data is required at any time prior to or during performance of this Contract, if Seller or its lower-tier subcontractors: (i) submit and/or certify cost or pricing data that are defective; (ii) with notice of applicable cutoff dates and upon The Coating House's request to provide cost or pricing data, submit cost or pricing data, whether certified or not certified at the time of submission, as a prospective subcontractor, and any such data are defective as of the applicable cutoff date on The Coating House's Certificate of Current Cost or Pricing Data; (iii) claim an exception to a requirement to submit cost or pricing data and such exception is invalid; (iv) furnish data of any description that is inaccurate; or, if (v) the U.S. Government alleges any of the foregoing; and, as a result, (A) The Coating House's contract price or fee is reduced; (B) The Coating House's costs are determined to be unallowable; (C) any fines, penalties, withholdings, or interest are assessed on The Coating House; or (D) TCH incurs any other costs or damages; TCH may proceed as provided for in (1) above.

(3) In the event it is determined that the Work is not a Commercial Item as defined at FAR 2.101, then Seller agrees that The Coating House's Provisions for Non- Commercial Items and the corresponding FAR and agency flow downs shall apply to this Contract.

(d) Seller represents that each chemical substance contained in Work sold or otherwise transferred to TCH hereunder is, as applicable, on the Toxic Substances Control Act (TSCA) Chemical Substances Inventory compiled by the United States Environmental Protection Agency pursuant to TSCA (15 U.S.C. Sec. 2607(b)) as amended and implemented in 40 CFR Part 710; and is designated as "active" pursuant to the TSCA Inventory Notification Rule (codified by amendments to 40 CFR Part 710 effective August 11, 2017). Seller shall provide

to TCH all Safety Data Sheets for any material provided to TCH as required by applicable law such as the Occupational Safety and Health Act of 1970 and regulations promulgated thereunder.

(e) Work delivered by Seller under this Contract may be incorporated into deliverable goods for use in the European Economic Area (EEA) and subject to the European Union Regulation (EC) No 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH); the Classification, Labeling and Packing Regulation (EC) No. 1272/2008 (CLP); and the Biocidal Products Regulation (EU) 528/2012 (BPR). Seller represents and warrants that the Work and any substances contained therein are not prohibited by, and are supplied in compliance with, REACH, CLP, and BPR.

(f) Seller shall be responsible for compliance with all requirements and obligations relating to its employees under all local, state, and federal statutes, ordinances, rules, and obligations including, but not limited to, employer's obligations under laws relating to: income tax withholding and reporting; civil rights; equal employment opportunity; discrimination on the basis of age, sex, race, color, religion, disability, national origin, or veteran status; overtime; minimum wage; social security contribution and withholding; unemployment insurance; employer's liability insurance; worker's compensation; veteran's rights; and all other employment, labor, or benefits related laws. TCH and Seller shall abide by the requirements of 41 CFR 60-1.4(A), 60-300.5(A) AND 60-741.5(A). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities and prohibit discrimination against all individuals based on their race, color, religion, sex or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status, or disability.

(d) The Provisions of the United Nations Convention on Contracts for the International Sale of Goods shall not apply.

### 3. ASSIGNMENT

Any assignment of Seller's Contract rights or delegation of Seller's duties shall be void unless TCH gives prior written consent. Nevertheless, Seller may assign rights to be paid amounts due, or to become due, to a financing institution if TCH is promptly furnished a signed copy of such assignment reasonably in advance of the due date for payment of any such amounts. Amounts assigned shall be subject to setoff or recoupment for any present or future claims of TCH against Seller. TCH shall have the right to make settlements and/or adjustments in price without notice to any assignee financing institution. Notwithstanding, either party may assign, delegate, or transfer this Contract, or any rights or obligations under this Contract, to a successor by merger, acquisition, or sale of assets.

### 4. CHANGES

(a) An TCH Authorized Representative may at any time, by written notice and without notice to sureties or assignees, make changes within the general scope of this Contract in any one or more of the following: (i) drawings, designs, or specifications; (ii) method of shipping or packing; (iii) place of inspection, acceptance, or point of delivery; (iv) delivery schedule; (v) description of services; (vi) time of performance; and (vii) place of performance.

(b) If any such change causes an increase or decrease in the cost of, or the time required for, the performance of this Contract, TCH shall make an equitable adjustment in the Contract price and/or delivery schedule and modify this Contract accordingly. Changes to the delivery schedule or time of performance will be subject to a price adjustment only.

(c) Seller must assert its right to an equitable adjustment within fifteen (15) days from the date of receipt of the written change order from The Coating House.

(d) Failure to agree to any adjustment shall be resolved per the "Disputes" clause of this Contract. However, nothing contained in this "Changes" clause shall excuse Seller from proceeding without delay in the performance of this Contract as changed.

### 5. Communication with TCH Customer

Seller shall not communicate with The Coating House's customer or higher tier customer in connection with this Contract, except as expressly permitted by The Coating House. This clause does not prohibit Seller from communicating with the U.S. Government with respect to (1) matters Seller is required by law or regulation to communicate to the Government, (2) fraud, waste, or abuse

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communicated to a designated investigative or law enforcement representative of a Federal department or agency authorized to receive such information, (3) any matter for which this Contract, including a FAR or FAR Supplement clause included in this Contract, provides for direct communication by Seller to the Government, or (4) any material matter pertaining to payment or utilization.

### 6. CONTRACT DIRECTION

(a) Only an TCH Authorized Representative has authority on behalf of TCH to make changes to this Contract. All amendments must be identified as such in writing and executed by the parties.

(b) TCH engineering and technical personnel may, from time to time, render assistance or give technical advice or discuss or effect an exchange of information with Seller's personnel concerning the Work hereunder. No such action shall be deemed a change under the "Changes" clause of this Contract and shall not be the basis for equitable adjustment.

(c) Except as otherwise provided herein, all notices furnished by the Seller shall be in writing and sent to an TCH Authorized Representative. Seller shall provide a copy of any legal notices to The Coating House's Legal Department at: The Coating House, Attn: General Counsel, 1375 Sunflower Ave, Costa Mesa, CA 92626.

(d) TCH may provide written notice under this Contract through an electronic data interface system, such as an online supplier portal.

### 7. COUNTERFEIT WORK

(a) The following definitions shall apply to this clause:

"Counterfeit Work" means Work that contains unlawful or unauthorized reproductions, substitutions, or alterations that have been knowingly mismarked, misidentified, or misrepresented to be an authentic, unmodified part from the original manufacturer or a source with the express authority of the original manufacturer or authorized aftermarket manufacturer. Unlawful or unauthorized substitution includes used Work represented as new, or the false identification of grade, serial number, lot number, date code, or performance characteristics.

"Suspect Counterfeit Work" means Work for which credible evidence (including, but not limited to, visual inspection or testing) provides reasonable doubt that the Work part is authentic.

(b) Seller shall not deliver Counterfeit Work or Suspect Counterfeit Work to TCH under this Contract.

(c) Seller shall only purchase products to be delivered to TCH directly from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM), or through an OCM/OEM authorized distributor chain. Seller may use another source only if (i) the preceding sources are unavailable,

(ii) Seller will employ inspection, and other counterfeit risk mitigation processes to ensure the authenticity of the Work, and (iii) Seller obtains the advance written approval of The Coating House.

(d) Seller shall maintain counterfeit risk mitigation processes per industry-recognized standards and with any other specific requirements identified in this Contract.

(e) Seller shall immediately notify TCH with the pertinent facts if Seller becomes aware that it has delivered Counterfeit Work or Suspect Counterfeit Work. When requested by The Coating House, Seller shall provide OCM/OEM documentation that authenticates traceability of the affected items to the applicable OCM/OEM.

(g) If Work delivered under this Contract constitutes or includes Counterfeit Work, Seller shall, at its expense, promptly replace such Counterfeit Work with genuine Work conforming to the requirements of this Contract. Notwithstanding any other provision in this Contract, Seller shall be liable for all costs relating to the removal and replacement of Counterfeit Work. The remedies contained in this paragraph are in addition to any remedies TCH may have at law, equity, or under other provisions of this Contract.

### 8. DEFAULT

(a) The Coating House, by written notice, may terminate this Contract for default, in whole or in part, if Seller (i) fails to comply with any of the terms of this Contract; (ii) fails to make progress to endanger performance of this Contract;

(iii) fails to provide adequate assurance of future performance; (iv) files or has filed against it a petition in bankruptcy; (v) becomes insolvent or suffers a material adverse change in financial condition; or (vi) defaults on a material term of any other

agreement to which TCH and Seller are parties. Seller shall have ten (10) days (or such longer period as TCH may authorize in writing) to cure any such failure after receipt of notice from The Coating House. Default involving delivery schedule delays, bankruptcy, or adverse financial condition changes shall not be subject to the cure provision.

(b) Following a termination for default of this Contract, Seller shall be compensated only for Work delivered and accepted. TCH may require Seller to deliver to TCH any supplies and materials, manufacturing materials, and manufacturing drawings that Seller has specifically produced or acquired for the terminated portion of this Contract. TCH and Seller shall agree on the amount of payment for these deliverables. In the event of a cancellation or termination under this Contract, Seller shall be liable to TCH for cover costs, in addition to The Coating House's other rights and remedies at law or in equity.

(c) Upon the occurrence and during the continuation of a default, TCH may exercise any and all rights and remedies available under applicable law and equity, including cancellation of this Contract. If after termination for default under this Contract, it is determined that Seller was not in default, such termination shall be deemed a termination for convenience.

(d) Seller shall continue all Work not terminated or canceled.

### 9. DEFINITIONS

The following terms shall have the meanings set forth below:

(a) "Contract" means the instrument of contracting, such as "Purchase Order", "PO", "Subcontract", or other such type of designation, including these Standard Terms and Conditions, all referenced documents, exhibits and attachments.

(b) "FAR" means the Federal Acquisition Regulation, issued as Chapter 1 of Title 48, Code of Federal Regulations.

(c) "Lead Time" means the minimum time agreed upon by TCH and Seller that a Purchase Order must be placed so that the Seller shall deliver by the delivery date, or if not so agreed, the shortest amount of time required by a typical supplier in the relevant industry to perform the Work.

(d) "TCH" means The Coating House Inc., acting through its companies or business units as identified on the face of this Contract. If a subsidiary or affiliate of TCH is identified on the face of this Contract, then "The Coating House" means that subsidiary or affiliate.

(e) "TCH Authorized Representative" means a person specifically authorized by TCH to administer and/or execute this Contract or an individual holding one of the following positions at TCH: CEO, CFO, and COO.

(f) "Seller" means the party identified on the face of this Contract with whom TCH is contracting.

(g) "Work" means all required labor, articles, materials, supplies, goods, and services constituting the subject matter of this Contract.

(h) "Commercial Item" means a product or service that is customarily used by the general public for nongovernmental purposes.

### 10. DISPUTES

(a) All disputes and controversies arising out of this Contract, including the existence, construction, validity, interpretation, performance, nonperformance, enforcement, or breach of any provision, shall be settled by mediation and, if necessary, arbitration administered by JAMS per its Comprehensive Arbitration Rules and Procedures. The parties agree to submit any dispute or controversy to binding arbitration before one (1) impartial arbitrator selected by JAMS with costs borne equally by the parties. The federal rules of civil procedure shall apply, including for depositions and arbitration. Any arbitration hearings shall take place in Hampden County, Massachusetts. The findings of the arbitrators shall be final and binding upon the parties. Any arbitration award may include attorneys' fees and costs, including but not limited to expert witness fees, payable to the prevailing Party in the arbitration, as determined by the arbitrators.

(b) Until final resolution of any dispute hereunder, Seller shall diligently proceed with the performance of this Contract as directed by The Coating House.

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### 11. ELECTRONIC CONTRACTING

The parties agree that if this Contract is transmitted electronically, neither party shall contest the validity, or any acknowledgment thereof, on the basis that this Contract contains an electronic signature.

### 12. INTERNATIONAL TRADE CONTROLS

(a) Seller shall comply with all applicable International Trade Controls. For purposes of this Contract, International Trade Controls mean export control, economic sanctions, anti-corruption, antiboycott, and import laws and regulations, including, but not limited to, the International Traffic in Arms Regulations (ITAR) (22 C.F.R. §§ 120-130); the Export Administration Regulations (EAR) (15 C.F.R. §§ 730-774); economic sanctions laws and regulations, including those administered by the U.S. Department of the Treasury, Office of Foreign Assets Control (OFAC) and the U.S. Department of State ("Sanctions"); laws and regulations administered by U.S. Customs and Border Protection (CBP) and U.S. Immigration and Customs Enforcement (ICE) (19 U.S.C. §§ 1-4454 and 19 C.F.R. §§ 1-199); anti-corruption laws, including the Foreign Corrupt Practices Act ("FCPA") and the UK Bribery Act ("UKBA"); and antiboycott laws administered by the U.S. Department of Commerce Office of Antiboycott Compliance and U.S. Department of the Treasury (15 C.F.R. § 760; 26 U.S.C. § 999).

(b) Without limiting the foregoing, Seller agrees that it will not export, re-export, or transfer any export-controlled item, data, or services, to include transfer or disclosure (including oral or visual disclosure) to any non-U.S. person, including Seller's employees, contractors, affiliates, lower-tier suppliers, and IT support services, without required export authorization, as applicable.

(c) Seller represents that neither it nor its officers, directors, or affiliates is the subject of Sanctions. Seller shall immediately notify a TCH Authorized Representative if Seller is, or becomes, the subject of Sanctions or if Seller's export privileges are otherwise restricted, suspended or revoked in whole or in part by any government entity or agency, including by its inclusion on the Specially Designated Nationals List, Sectoral Sanctions Identifications List, Denied Persons List, Entity List, Unverified List, or any other similar government list (collectively, "Denied Party Lists"). Seller will not directly or indirectly involve any person that is the subject of Sanctions or listed on any Denied Party List in Seller Work without first obtaining express written consent from a Seller Authorized Representative.

(d) Seller has not and will not offer, give, or accept, either directly or indirectly, anything of value to or from any person in violation of anticorruption laws, including the FCPA and UKBA, in connection with Work under this Contract.

(e) Seller shall indemnify and hold TCH harmless from all losses, claims, demands, damages, costs, causes of action, fines, penalties, fees, attorney's fees, and all other expense incurred by The Coating House, resulting from any failure of Seller to comply with applicable export and import control and economic sanctions, trade embargo laws, or any obligations under this Contract.

### 13. FURNISHED PROPERTY

(a) TCH may, by written authorization, provide to Seller property owned by either TCH or its customer ("Furnished Property"). Seller shall use Furnished Property only for the performance of this Contract.

(b) Title to Furnished Property shall remain in TCH or its customer. Seller shall clearly mark (if not so marked) all Furnished Property to show ownership.

(c) Except for reasonable wear and tear, Seller shall be responsible for, and shall promptly notify TCH of, any loss or damage to any Furnished Property. Without additional charge, Seller shall manage, maintain, and preserve Furnished Property per good commercial practice.

(d) At The Coating House's request, and/or upon completion of this Contract, Seller shall submit, in an acceptable form, inventory lists of Furnished Property and shall deliver or make disposal of Furnished Property as may be directed by The Coating House.

(e) The "all-risk" insurance you maintain pursuant to the requirements within this Contract must cover loss or damage to Furnished Property and shall include TCH as loss payee. Seller's insurance shall not relieve Seller of its obligation to indemnify TCH for damage to such property, and Seller shall be responsible for fulfilling any deductibles or retentions pursuant to coverage.

### 14. GRATUITIES/KICKBACKS

Seller shall not offer or give a kickback or gratuity (in the form of entertainment, gifts, or otherwise) for the purpose of obtaining or rewarding favorable treatment as a TCH supplier. By accepting this Contract, Seller certifies and represents that it has not made or solicited and will not make or solicit kickbacks in violation of FAR 52.203-7 or the Anti-Kickback Act of 1986 (41 USC 51-58),

both of which are incorporated herein by reference.

### 15. INDEPENDENT CONTRACTOR RELATIONSHIP

Seller is an independent contractor in all its operations and activities hereunder. The employees and agents used by Seller to perform Work under this Contract shall be Seller's employees and agents exclusively without any relation whatsoever to The Coating House. Because Seller is an independent contractor, TCH will not withhold or make payments for social security, unemployment insurance or disability insurance contributions, obtain worker's compensation insurance on Seller's behalf, or withhold state and federal income taxes from its payments to Seller. Seller accepts exclusive liability for complying with all applicable laws governing employment-related taxes and income taxes and agrees to indemnify and defend TCH against any and all such taxes or contributions, including penalties and interest.

### 16. INDEMNITY

Seller shall defend, indemnify, and hold harmless The Coating House, its officers, directors, employees, consultants, agents, affiliates, successors, permitted assigns and customers from and against all losses, costs, claims, causes of action, damages, liabilities, and expenses, including attorney's fees, all expenses of litigation and/or settlement, and court costs, arising from any act or omission of Seller, its officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of any of its obligations under this Contract.

### 17. INFORMATION ASSURANCE

(a) Information provided by TCH to Seller or derived from such information (collectively, "TCH Information") remains the property of The Coating House. Seller shall comply with the terms of any nondisclosure agreement ("NDA") by the parties, which is incorporated herein by reference, and comply with all proprietary information markings and restrictive legends applied by The Coating House. Seller shall not use any TCH provided information for any purpose except to perform this Contract and shall not disclose such information to third parties without the prior written consent of The Coating House.

(b) Seller shall implement physical, technical, and administrative safeguards to protect all TCH Information and shall maintain standards and procedures to address the configuration, operation, and management of systems and networks, services, and TCH Information, consistent with ISO/IEC:27001 or equivalent industry standards, to protect such information against unauthorized processing or disclosure, or accidental loss, destruction or damage. Upon request, Seller shall: (1) respond to TCH requests for information regarding its information security practices; (2) submit to TCH evidence of passing a third-party audit of such practices, completed at Seller's expense, or (3) submit to TCH an unexpired certification under ISO/IEC:2001 or equivalent industry standards, obtained at Seller's expense.

(c) In the event of the identification of any security-related risk to the TCH Information, (1) if identified or known by Seller, Seller shall notify The Coating House; and

(2) whether identified by Seller or The Coating House, Seller shall take remedial action specified by The Coating House. If TCH fails to promptly take such remedial action or if such remedial action does not correct the risk, TCH shall have the right, at The Coating House's sole option, to terminate this Contract.

(d) Seller shall send a notification to [KCasineau@TheCoatingHouse.com](mailto:KCasineau@TheCoatingHouse.com) within 24 hours: (1) upon discovery of the unauthorized, intentional, or unintentional access to TCH Information, or disclosure, modification, compromise, destruction, or loss of TCH Information, or the copying of TCH Information to unauthorized media; or (2) upon receipt of any request for disclosure or inquiry regarding TCH Information from any governmental authority or other third party.

### 18. INFORMATION OF SELLER

Seller shall not provide any proprietary information to TCH without prior execution of an NDA by the parties. Seller represents and warrants that any information provided to TCH by Seller absent an NDA is not proprietary to Seller or any third party.

### 19. INSPECTION AND ACCEPTANCE

(a) Seller and its customer may inspect all Work at reasonable times and places, including, when practicable, during manufacture, and before shipment. Seller shall provide all information, facilities, and assistance necessary for safe and convenient inspection without additional charge.

(b) No such inspection shall relieve Seller of its obligations to furnish and warrant all Work per the requirements of this Contract. The Coating House's final

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inspection and acceptance shall be at destination.

(c) If Seller delivers non-conforming Work, TCH may, in addition to any other remedies available at law or equity: (i) accept all or part of such Work at an equitable price reduction; (ii) reject such Work; (iii) require Seller, at Seller's cost, to make all repairs, modifications, or replacements at the direction of TCH necessary to enable such Work to comply in all respects with Contract requirements; and/or (iv) charge costs associated with non-conforming Work.

(d) SELLER shall not re-tender rejected Work without disclosing the corrective action taken.

### 20. INSURANCE

(a) Seller and its subcontractors shall maintain for the performance of this Contract the following insurances: workers' compensation insurance meeting the statutory requirements where Work will be performed; employer's liability (EL) in the amount of \$1 million per each accident or per each employee for disease; commercial general liability (CGL) including Products Liability and Completed Operations liability in the amount of \$1 million per occurrence and \$2 million in the aggregate annually, or in such higher amounts TCH may require; automobile liability (AL) insurance covering third party bodily injury and property damage with a minimum of \$1 million per occurrence limit, or in such higher amounts and such other insurance as TCH may require.

(b) Seller shall provide TCH thirty (30) days advance written notice prior to the effective date of any cancellation or change in the term or coverage of any of Seller's required insurance, provided such notice shall not relieve Seller of its obligations to maintain the required insurance. Seller shall have its' insurers name TCH as an additional insured on the CGL and AL policies for the duration of this Contract. If requested, Seller shall provide a "Certificate of Insurance" evidencing Seller's compliance with these requirements. Insurance maintained pursuant to this clause shall be considered primary for interest of TCH and is not contributory with any insurance which TCH may carry. "Subcontractor" as used in this clause shall include Seller's subcontractors at any tier. Seller's obligations herein for procuring and maintaining insurance coverage are freestanding and are not affected by any other language in this Contract.

### 21. INTELLECTUAL PROPERTY

(a) Seller warrants that the Work performed or delivered under this Contract will not infringe or otherwise violate the intellectual property rights of any third party in the United States or any foreign country. Seller shall defend, indemnify, and hold harmless The Coating House, its officers, directors, employees, consultants, agents, affiliates, successors, permitted assigns and customers from and against all losses, costs, claims, causes of action, damages, liabilities, and expenses, including attorney's fees, all expenses of litigation and/or settlement, and court costs, arising out of any action by a third party that is based upon a claim that the Work performed or delivered under this Contract infringes or otherwise violates the intellectual property rights of any person or entity.

(b) In addition to the Government's rights in data and inventions, Seller agrees that The Coating House, in the performance of its prime or higher tier contract obligations, shall have an unlimited, irrevocable, nonexclusive, world-wide, royalty-free license to: (i) make, have made, sell, offer for sale, use, execute, reproduce, display, perform, distribute (internally or externally) copies of, transfer computer software to the Government and the Government's end customer, and prepare derivative works of any inventions, discoveries, improvements, mask works and patents as well as any and all data, copyrights, reports and works of authorship, conceived, developed, generated, or delivered in performance of this Contract; and (ii) authorize others to do any, some or all of the foregoing.

(c) Items delivered under this Contract, such as operation and maintenance manuals, shall be delivered with the right to copy for internal use and/or copy and deliver with the right to use to The Coating House's customers.

(d) The tangible medium storing copies of all reports, memoranda, or other materials in written form, including machine-readable format, prepared by Seller and furnished to TCH pursuant to this Contract shall become the sole property of The Coating House. Nothing in this paragraph (c) assigns ownership of Seller's intellectual property included on such medium to The Coating House.

(e) No other provision in this Contract, including but not limited to the Indemnity clause, shall limit the liabilities or remedies of the parties under this clause.

### 22. NEW MATERIALS

The Work to be delivered hereunder shall consist of new materials, as defined in FAR 52.211-5, not used, reconditioned, remanufactured, or of such age as to impair its usefulness or safety.

### 23. PACKING AND SHIPMENT

(a) Unless otherwise specified, all Work is to be packed per good commercial practice.

(b) A complete packing list shall be enclosed with all shipments. Seller shall mark containers or packages with necessary lifting, loading, and shipping information, including the TCH Contract number, item number, dates of shipment, and the names and addresses of consignor and consignee. Bills of lading shall include this Contract number.

(c) Unless otherwise specified, delivery shall be FOB Place of Shipment.

(d) When goods provided under this Contract originate outside of the United States, prior to their first shipment of goods to The Coating House, Seller shall provide TCH a Certificate of Origin specifying the Country of Origin, Seller's name, and any other documentation required for compliance with U.S. Customs laws and regulations, including 19 U.S.C. § 1304 and 19 U.S.C. §§ 1508 – 1509.

(d) Unless otherwise specified, Seller shall be responsible for paying customs duties, obtaining any required customs authorizations, and filing customs entry documentation for importation of any Work into the United States. TCH will not serve as importer of record for such shipments.

(e) Seller shall ship Work per Incoterms and shipping method when specified in the Contract. If Seller does not comply, TCH may charge Seller for additional shipping costs, plus a \$25 administrative fee, in addition to any and all rights and remedies available.

### 24. PAYMENTS, TAXES, AND DUTIES

(a) Unless otherwise provided, terms of payment shall be net sixty (60) days from the latest of the following: (1) The Coating House's receipt of the Seller's proper and timely invoice; (2) scheduled delivery or completion of performance date of the Work; or (3) actual delivery or actual completion of the Work.

(b) A proper invoice shall request payment only for Work delivered and accepted pursuant to the Contract in an amount not to exceed the Contract price. TCH shall not be obligated to pay for any Work that has not been delivered and accepted pursuant to the Contract, and TCH shall not be obligated to pay any amount in excess of the Contract price. A timely invoice shall be submitted for payment within twelve (12) months of the delivery and acceptance of the Work covered by the invoice. TCH shall not be obligated to pay for any Work for which an invoice is not submitted for payment within twelve (12) months of the delivery and acceptance of the Work covered by the invoice.

(c) Each payment made shall be subject to reduction to the extent of amounts which are found by TCH or Seller not to have been properly payable and shall also be subject to reduction for overpayments. Seller shall promptly notify TCH of any such overpayments and remit the amount of the overpayment except as otherwise directed by The Coating House.

(c) TCH shall have a right of setoff against payments due or at issue under this Contract or any other Contract between the parties.

(d) Payment shall be deemed to have been made as of the date of mailing The Coating House's payment or electronic funds transfer.

(e) Unless otherwise specified, prices include all applicable federal, state, and local taxes, duties, tariffs, and similar fees imposed by any government, all of which shall be listed separately on the invoice.

### 25. PRECEDENCE

Any inconsistencies in this Contract shall be resolved in accordance with the following descending order of precedence: (1) face of the Purchase Order; (2) any FAR or FAR supplement clauses incorporated by reference; (3) these Standard Terms and Conditions; (4) the Statement of Work; and (5) TCH Onboarding Documents.

### 26. PROHIBITION ON CERTAIN TELECOMMUNICATIONS EQUIPMENT

The Seller shall not provide components, hardware, equipment, systems, or services that use telecommunications equipment or services produced by Huawei Technologies Company, ZTE Corporation, Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua= Technology Company (or any subsidiary or affiliate of such entities), or provided by an entity that the U.S. Secretary of Defense designates to be an entity owned or controlled by, or otherwise connected to, the government of the People's Republic of China.

### 27. Quality Control System

(a) Seller shall provide and maintain a quality control system to an industry recognized Quality Standard and in compliance with any other specific quality requirements identified in this Contract.

(b) Records of all quality control inspection work by Seller shall be kept complete

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and available to TCH and its customers.

### 28. RELEASE OF INFORMATION

Except as required by law, no public release of any information, or confirmation or denial of same, with respect to this Contract or the subject matter hereof, will be made by Seller or its subcontractors without the prior written approval of The Coating House. Seller shall not use "The Coating House," "TCH," "PAACD" or any other trademark or logo owned by The Coating House, in whatever shape or form, without the prior written consent of The Coating House.

### 29. RETENTION OF RECORDS

Unless a longer period is specified in this Contract or by law or regulation, Seller shall retain all records related to this Contract for three (3) years from the date of final payment received by Seller. Records related to this Contract include, but are not limited to, financial, proposal, procurement, specifications, production, inspection, test, quality, shipping and export, and certification records. At no additional cost, Seller shall timely provide access to such records to the US Government and/or TCH upon request.

### 30. SEVERABILITY

Each clause, paragraph and subparagraph of this Contract is severable, and if one or more of them are declared invalid, the remaining provisions of this Contract will remain in full force and effect.

### 32. STOP WORK

(a) Seller shall stop Work for up to ninety (90) days in accordance with any written notice received from The Coating House, or for such longer period as the parties may agree and shall take all reasonable steps to minimize the incurrence of costs allocable to the Work during the period of Work stoppage.

(b) Within such period, TCH shall either terminate in accordance with the provisions of this Contract or continue the Work by written notice to Seller. In the event of a continuation, an equitable adjustment in accordance with the principles of the "Changes" clause shall be made to the price, delivery schedule, or other provision(s) affected by the Work stoppage, if applicable, provided that the claim for equitable adjustment is made within thirty (30) days after date of notice to continue.

### 33. SURVIVAL

(a) If this Contract expires, is completed, or is terminated, Seller shall not be relieved of those obligations that by their nature should survive, including the obligations contained in the following clauses: Applicable Laws, Disputes, Electronic Contracting, International Trade Controls, Independent Contractor Relationship, Indemnity, Information Assurance and Information of Seller, Insurance, Intellectual Property, Release of Information, Warranty.

(b) Those applicable U.S. Government flow down provisions that by their nature should survive.

### 34. TERMINATION FOR CONVENIENCE

(a) TCH reserves the right to terminate this Contract, or any part hereof, for its convenience. TCH shall terminate by delivering to Seller a Notice of Termination specifying the extent of termination and the effective date. In the event of such termination, Seller shall immediately stop all work hereunder and shall immediately cause any and all of its suppliers and subcontractors to cease work. Subject to the terms of this Contract, Seller shall be paid a percentage of the Contract price reflecting the percentage of the Work performed prior to the notice of termination, plus reasonable charges Seller can demonstrate to the satisfaction of TCH using its standard record keeping system have resulted from the termination. Seller shall not be paid for any Work performed or costs incurred that reasonably could have been avoided.

(b) In the event of termination or expiration of this Contract for any reason, TCH shall have the right to require Seller to transfer title and deliver:

(1) The fabricated or unfabricated parts, work in process, completed work, supplies, and other material produced or acquired for the Work terminated; and  
(2) The completed or partially completed plans, drawings, information, and other property that, if the Contract had been completed, would be required to be furnished to The Coating House.

(c) Seller shall use its best efforts to sell, if directed or authorized by The Coating House, specific property identified by TCH of the types referred to in paragraph (b) of this clause. The proceeds of any transfer or disposition will be applied to reduce any payments to be made by TCH under this Contract, credited to the price or cost of the Work, or paid in any other manner directed by The Coating House.

(d) TCH shall have the right to require Seller to store any property of the types referred to in paragraph (b) of this clause until 12 months from the effective date

of the termination. The property shall be segregated, held in adequate packaging to prevent deterioration and damage, and remain accessible for the sole purpose of performing possible future work for The Coating House. Seller shall maintain traceability of the property. TCH may exercise its rights under paragraph (b) of this clause during the storage period.

(e) In no event shall TCH be liable for lost or anticipated profits, or unabsorbed indirect costs or overhead, or for any sum in excess of the total Contract price. Seller's termination claim shall be submitted within forty-five (45) days from the effective date of the termination.

(f) Seller shall continue all Work not terminated.

### 35. TIMELY PERFORMANCE

(a) Seller's timely performance is a critical element of this Contract.

(b) Seller shall provide TCH status of performance of this Contract when requested. If Seller becomes aware of difficulty in performing the Work, or an impending labor dispute, Seller shall promptly notify The Coating House, in writing, giving pertinent details. This notification shall not change any delivery schedule.

(c) In the event of a termination for convenience or change, no claim will be allowed for any manufacture or procurement in advance of the Lead Time unless there has been prior written consent by The Coating House.

### 36. TRAVEL COSTS

(a) All travel incurred by Seller in the performance of this Contract is included within the Contract price and shall not be separately reimbursed by TCH unless such travel is expressly authorized in writing in advance by The Coating House's Authorized Representative.

(b) When travel is authorized under this Contract, Seller shall be reimbursed only for necessary, reasonable, and actual travel expenses for transportation, lodging, meals and incidental expenses only to the extent that they do not exceed the maximum per diem rate in effect at the time of travel, as set forth in the United States Federal Travel Regulations for the area of travel authorized under this Contract. Air travel shall be reimbursed for coach class only. Lodging expenses are reimbursable only where incurred from establishments serving the general public.

(c) Seller shall provide a detailed summary of all such costs by category of expense with each invoice. Seller shall provide a legible receipt for each claimed individual expense exceeding \$75.00.

### 40. USE OF FREE, LIBRE AND OPEN SOURCE SOFTWARE (FLOSS)

(a) This clause only applies to Work that includes the delivery of software (including software residing on hardware).

(b) Seller shall disclose to TCH in writing any FLOSS that will be used or delivered in connection with this Contract and shall obtain The Coating House's prior written consent before using or delivering such FLOSS in connection with this Contract. TCH may withhold such consent in its sole discretion.

(c) As used herein, "FLOSS License" means the General Public License (GPL), Lesser/Library GPL, (LGPL), the Affero GPL (APL), the Apache license, the Berkeley Software Distribution (BSD) license, the MIT license, the Artistic License (e.g., PERL), the Mozilla Public License (MPL), or variations thereof, including without limitation licenses referred to as "Free Software License", "Open Source License", "Public License", or "GPL Compatible License."

(d) As used herein, "FLOSS" means software that incorporates or embeds software in, or uses software in connection with, as part of, bundled with, or alongside any (1) open source, publicly available, or "free" software, library or documentation, or (2) software that is licensed under a FLOSS License, or (3) software provided under a license that (a) subjects the delivered software to any FLOSS License, or (b) requires the delivered software to be licensed for the purpose of making derivative works or be redistributable at no charge, or (c) obligates TCH to sell, loan, distribute, disclose or otherwise make available or accessible to any third party (i) the delivered software, or any portion thereof, in object code and/or source code formats, or (ii) any products incorporating the delivered software, or any portion thereof, in object code and/or source code formats.

(e) Seller shall defend, indemnify, and hold harmless The Coating House, its customers and suppliers from and against any claims, damages, losses, costs, and expenses, including reasonable attorney's fees, relating to use in connection with this Contract or the delivery of FLOSS. No other provision in this Contract, including but not limited to the Indemnity clause, shall be construed to limit the liabilities or remedies of the parties for the use of FLOSS in connection with this Contract or for the delivery of FLOSS under this Contract.

## Purchase Order Terms and Conditions

### 41. WAIVERS, APPROVALS, AND REMEDIES

(a) Failure by either party to enforce any of the provisions of this Contract or applicable law shall not constitute a waiver of the requirements of such provisions or law, or as a waiver of the right of a party thereafter to enforce such provision or law.

(b) The Coating House's approval of documents shall not relieve Seller of its obligation to comply with the requirements of this Contract.

(c) The rights and remedies of either party in this Contract are cumulative and in addition to any other rights and remedies provided by law or in equity.

### 42. WARRANTY

(a) Seller warrants that it is and shall remain free of any obligation or restriction which would interfere or be inconsistent with or present a conflict of interest concerning the Work to be furnished by Seller under this Contract.

(b) Seller warrants that it will perform any services under this Contract with the degree of high professional skill and sound practices and judgment which is normally exercised by recognized professional firms with respect to services of a similar nature.

(c) Seller warrants that all Work furnished pursuant to this Contract shall strictly conform to applicable specifications, drawings, samples, descriptions, and other requirements of this Contract and be free from defects in design, material, and workmanship. This warranty shall begin upon final acceptance and extend for a period of one (1) year. If any nonconforming Work is identified within the warranty period, Seller, at The Coating House's option, shall promptly repair, replace, or reperform the Work. Transportation of replacement Work, return of nonconforming Work, and reperformance of Work shall be at Seller's expense. If repair, or replacement, or reperformance of Work is not timely, TCH may elect to return, reperform, repair, replace, or reprocur the non-conforming Work at Seller's expense. All warranties shall run to TCH and its customers.

(d) To the extent Seller leases equipment to The Coating House, Seller shall be responsible for any damage caused to or by such equipment as a result of such equipment malfunctioning or not performing as reasonably expected, provided such malfunction or unexpected performance is not caused by The Coating House's negligence.

### 43. WORK ON TCH AND THIRD-PARTY PREMISES

(a) "Premises" as used in this clause means premises of The Coating House, its customers, or other third parties where Work is being performed.

(b) Seller shall ensure that Seller personnel working on Premises comply with any on-premises policies and: (i) do not bring weapons of any kind onto Premises; (ii) do not manufacture, sell, distribute, possess, use or be under the influence of controlled substances or alcoholic beverages while on Premises; (iii) do not possess hazardous materials of any kind on Premises without The Coating House's authorization; (iv) remain in authorized areas only; (v) do not conduct any non-TCH related business activities (such as interviews, hirings, dismissals or personal solicitations) on Premises, (vi) do not send or receive non-TCH related mail through The Coating House's or third party's mail systems; (vii) do not sell, advertise or market any products or memberships, distribute printed, written or graphic materials on Premises without The Coating House's written permission or as permitted by law; and (viii) follow instruction from TCH in the event of an actual or imminent safety or environmental hazard on Premises.

(c) All persons, property, and vehicles entering or leaving Premises are subject to search.

(d) Seller shall promptly notify TCH and provide a report of any accidents or security incidents involving loss of or misuse or damage to The Coating House, customer, or third party intellectual or physical assets, and all physical altercations, assaults, or harassment.

(e)(1) Prior to entry on Premises, Seller shall coordinate with TCH to gain access. Seller shall provide information reasonably required by TCH to ensure proper identification of personnel, including, but not limited to verification of citizenship, lawful permanent resident status, protected individual or other status.

(2) Seller personnel requiring access to Premises shall, prior to entry, be screened by Seller at no charge to TCH through the TCH Contractor Screening Program, or otherwise screened by SELLER in a manner satisfactory to The Coating House.

(f) Seller shall ensure that Seller personnel: (i) do not remove The Coating House, customer, or third-party assets from Premises without TCH authorization; (ii) use The Coating House, customer, or third party assets only for purposes of this Contract; (iii) only connect with, interact with or use computer resources, networks, programs, tools or routines authorized by The Coating House; and (iv)

do not share or disclose user identifiers, passwords, cipher keys or computer dial port telephone numbers. TCH may periodically audit Seller's data residing on The Coating House, customer, or third-party assets on Premises.

(g) TCH may, at its sole discretion, have Seller remove any specified employee of Seller from Premises and require that such employee not be reassigned to any Premises under this Contract.

(h) Violation of this clause may result in termination of this Contract in addition to any other remedy available to TCH at law or in equity. Seller shall reimburse The Coating House, customer, or third party for any unauthorized use of The Coating House, customer, or third-party assets.

(i) Seller shall advise the TCH Procurement Representative of any unauthorized direction or course of conduct.

(j) Seller shall immediately report to TCH all emergencies (e.g., medical, fire, spills or release of any hazardous material) and non-emergency incidents (e.g., job-related injuries or illnesses) affecting the Work. Seller shall provide TCH with a copy of any reports of such incidents TCH makes to governmental authorities.

### 44. PARTS OBSOLESCENCE

For Non-commercial items only, TCH may desire to play additional orders for Work purchased hereunder. Seller shall provide TCH with a "Last Time Buy Notice" at least twelve (12) months prior to any action to discontinue any Work purchased under this Contract.

### 45. SELLER BUSINESS SYSTEMS

For Non-commercial items only, if Seller's Business Systems are reviewed and approved by a Government agency, Seller shall provide prompt notice to TCH whenever there is a material change in the status of the Government's approval or determination of adequacy of any of Seller's Business Systems. "Seller Business Systems" as used in this clause means Seller's material management and accounting system, cost estimating system, accounting system, earned value management system, property management system, and purchasing system.

### 46. USE OF DELIVERABLE TECHNICAL DATA AND COMPUTER SOFTWARE

(a) For Non-commercial items only, this clause applies only to technical data or computer software delivered by Seller to TCH under this Contract.

(b) As used in this clause "Nonconforming Marking" means any confidential, proprietary, or other restrictive-use markings that are not expressly permitted by applicable FAR, DFARS, NASA FAR Supplement or other applicable U.S. Government agency acquisition clauses incorporated into this Contract. Seller shall not deliver technical data or computer software that contains Nonconforming Markings. On behalf of the Government, TCH may notify Seller of such a Nonconforming Marking. If Seller fails to remove or correct such marking within sixty (60) days after such notification, TCH may, notwithstanding any other provision of this Contract, ignore or, at Seller's expense, remove or obliterate any such Nonconforming Marking as may be on technical data or computer software delivered by Seller.

### 47. INCORPORATION BY REFERENCE

The following documents are applicable to this Contract and incorporated herein by reference: (1) TCH FAR and FAR Supplement Flow down Clauses; and (2) TCH Onboarding Documents, and (3) any NDA or proprietary information agreement between Seller and The Coating House.