



TERMS AND CONDITIONS OF PURCHASE March 2025

1. DEFINITIONS

- a. "TDS" means Total Defense Solutions LLC, (doing business as TDS-Tactical).
- b. "TDS Procurement Rep" means the TDS buyer identified in the "Buyer" block on the face of the Purchase Order (defined below), as well as supervisory personnel in the TDS Procurement Department or with managerial authority over the Procurement Department (including TDS corporate officers). The TDS Procurement Rep is responsible for issuing the Purchase Order and any modifications thereto. TDS sales personnel are not TDS Procurement Reps and do not have authority to make any changes to or modifications of the terms applicable to any Purchase Order.
- c. "Agreement" means these Terms and Conditions of Purchase and any Purchase Order issued by TDS and accepted by Seller (defined below), as well as any documents incorporated by reference in these Terms and Conditions of Purchase or any Purchase Order.
- d. "Customer" means (i) the entity with which TDS has a contract to provide the Products and/or Services, and, if different, (ii) the ultimate end user of the Products (defined below) or Services (defined below).
- e. "FAR" means the Federal Acquisition Regulation and any applicable agency-specific supplement (including, but not limited to, the Defense Federal Acquisition Regulation Supplement ("DFARS")).
- f. "Products" means the products, parts, and/or equipment included on TDS's Purchase Order to Seller.
- g. "Promised Ship Date" means the date falling on or before the Ship By Date (defined below) by which the Seller states to the TDS Procurement Rep that it will ship the Products and/or complete the Services.
- h. "Purchase Order" means a written order issued by TDS to Seller, which is TDS's offer to purchase the Products and Services listed thereon.
- i. "Seller" means the entity to which TDS's Purchase Order is issued.
- j. "Services" means services to be rendered by Seller included on TDS's Purchase Order to Seller.
- k. "Ship By Date" means the date stated on the Purchase Order in the column labeled "SHIP BY DATE."

2. ACCEPTANCE OF PURCHASE ORDER

Seller's written acknowledgment of a Purchase Order, commencement of performance pursuant to the Purchase Order, or acceptance of any payment under a Purchase Order shall each, independently, constitute Seller's acceptance of the Purchase Order subject to these Terms and Conditions of Purchase. Any terms or conditions proposed by Seller or included in any document provided by Seller are expressly rejected by TDS unless incorporated by express reference on the Purchase Order. Any reference to Seller's quotation or proposal on the face of a Purchase Order is for administrative purposes only and does not affect the rights or obligations of either party to this Agreement. Within seven (7) days of receipt of the Purchase Order, Seller shall provide to the TDS Procurement Rep a Promised Ship Date.



3. PACKAGING, MARKING, AND SHIPMENT

- a. Seller shall follow all shipping instructions sent with the Purchase Order, including but not limited to shipping Products to the shipping address designated in writing by the TDS Procurement Rep, and shall arrange for all shipments in accordance with the instructions provided by the TDS Procurement Rep.
- b. Depending on the nature of the Products and the requirements of TDS's contract with Customer, TDS may be required to provide serial numbers or other item unique identifiers for the Products. Seller agrees to provide this information promptly on request by TDS.
- c. Shipments must equal the exact quantities shown on the Purchase Order. Seller may make partial shipments only with prior written authorization from the TDS Procurement Rep.

4. DELIVERY

- a. Time is of the essence of this Agreement and each Purchase Order. Seller shall comply with its Promised Ship Date and with the Ship By Date specified in the Purchase Order.
- b. The Parties agree that the precise measure of damages TDS will incur from delay will be difficult or impossible to determine. Accordingly, if Products and Services are not provided by the Promised Ship Date, in addition to any other remedy available to TDS, Seller shall be liable to TDS for liquidated damages, not as a penalty but as a substitute for TDS's actual damages, in the amount of one tenth of one percent (0.1%) of the Purchase Order price of the delayed Products or Services per day of delay, which, in total, shall not exceed five percent (5%) of the Purchase Order price of the delayed Products and/or Services. TDS may reduce any payment due to Seller on this or any other Purchase Order by the liquidated damages amount or require payment of such liquidated damages amount from Seller, which payment shall be due within thirty (30) days of TDS's notice to Seller of TDS's invocation of this right. If Products and/or Services are not provided by the Ship By Date, TDS may cancel the Purchase Order and may require Seller to pay to TDS the difference between Seller's price and the price TDS is charged to procure the Products and/or Services elsewhere in addition to any other remedies TDS may have available to it, including consequential damages.
- c. Notwithstanding the foregoing, Seller shall be excused for any delay solely caused by an occurrence beyond the control of Seller and without its fault or negligence such as acts of God or the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, unusually severe weather, and unusual delays of common carriers ("Force Majeure Events"). As a condition for Seller's entitlement to the relief provided in this Section 4.c., Seller shall notify the TDS Procurement Rep in writing as soon as it is reasonably possible after the commencement of any Force Majeure Event, setting forth the full particulars in connection therewith, shall make all reasonable efforts to remedy and mitigate such occurrence with all reasonable dispatch, and shall promptly give written notice to the TDS Procurement Rep of the cessation of such occurrence.
- d. The TDS Procurement Rep may, at any time, by written direction to the Seller, require the Seller to stop all, or any part, of the work called for under a Purchase Order for a period of up to ninety (90) days or for any



further period to which the parties may agree (the “Stop-work Period”). Upon receipt of the direction, Seller shall immediately comply and take all reasonable steps to minimize costs incurred as a result of the stoppage. Before the expiration of the Stop-work Period, TDS shall either (i) cancel the stop-work order; or (ii) terminate the work covered by the order as provided in Section 12. If a stop-work order issued under this clause is canceled or the Stop-work Period expires, Seller shall resume work. TDS shall make an equitable adjustment in the delivery schedule or Purchase Order price, or both, and the contract shall be modified, in writing, accordingly, if (i) the stop-work order results in an increase in the time required for, or in the Seller’s cost properly allocable to, the performance of any part of the affected Purchase Order; and (ii) Seller asserts its right to the adjustment within ten (10) business days after the end of the period of work stoppage; provided, that TDS may, in its sole discretion, receive and act upon any claim submitted at any time before final payment under this Agreement.

5. ACCEPTANCE OF PRODUCTS OR SERVICES

- a. Products and Services provided by Seller shall be in new condition and strictly in accordance with the Purchase Order, including applicable instructions and attachments. Products and Services are subject to inspection and testing by TDS and/or Customer. TDS may reject nonconforming Products or Services and (i) require Seller to promptly remove and replace rejected Products or reperform rejected Services at Seller’s sole expense and/or (ii) terminate the Purchase Order, in whole or in part, for Seller’s default.
- b. Seller shall obtain and provide to TDS written evidence of Customer’s acceptance of (i) Services, and (ii) Products delivered directly to Customer without any tangible goods (including, but not limited to software delivered via direct download). Products and Services shall not be deemed “delivered” or “completed” for the purposes of this Agreement and Seller may not invoice for the delivery or completion of same until such written evidence has been provided to TDS.

6. PRICES AND TITLE

Shipping terms are provided on the face of each Purchase Order. Notwithstanding the foregoing, title to Products shall transfer to TDS from Seller on delivery to the carrier at Seller’s facility. Unless otherwise provided on the Purchase Order, the price includes all applicable federal, state, and local taxes.

7. INVOICING AND PAYMENT TERMS

- a. Seller’s invoice shall contain: (i) name and address of Seller; (ii) invoice date and number; (iii) TDS Purchase Order number and, if applicable, line item number; (iv) description, quantity, unit of measure, unit price and extended price of the Products and/or Services delivered; (v) shipping or tracking number and date of shipment together with any other evidence of shipping reasonably requested by TDS; and (vi) any other information or certifications reasonably requested by TDS.
- b. Unless stated otherwise on the Purchase Order, Seller may invoice for Products on delivery and for Services on completion. Payment terms are net thirty (30) days from date of TDS’s receipt from Seller of an accurate and complete invoice unless otherwise indicated on the Purchase Order.



- c. TDS shall be entitled to a two-percent (2%) discount from the Purchase Order price for any invoice paid within ten (10) days of its receipt of an accurate and complete invoice from Seller.

8. MODIFICATIONS

These Terms and Conditions of Purchase and the Purchase Order requirements may not be amended, changed, waived, extended, or discharged except in writing by the TDS Procurement Rep. TDS may modify the Purchase Order, provided that such modifications must be made in writing by the TDS Procurement Rep by way of a revised Purchase Order indicating the revision number. Seller's acceptance of a revised Purchase Order in accordance with Section 2 shall constitute its acceptance of any modifications contained therein. Seller shall continue performance while the Parties negotiate any modification or adjustment, in accordance with TDS's reasonable instructions (including, but not limited to, performing the Purchase Order as modified subject to later adjustment of price and schedule, as necessary).

9. CHANGES TO PRODUCTS OR SERVICES

Seller shall not make any changes to the Products or Services without TDS's prior written consent.

10. RETURNS

TDS may return Products within sixty (60) days of delivery without restocking fees or like charges.

11. WARRANTY & QUALITY MANAGEMENT

- a. Warranty. Seller represents and warrants to TDS and Customer that all Products and Services are merchantable, fit for use for the particular purpose described in the Purchase Order or any document incorporated by reference therein, free from defects in material or workmanship for a period of one (1) year from the date of delivery or for the period of Seller's standard warranty, whichever is greater, and conform strictly to the published specifications and the specifications listed on the Purchase Order or furnished pursuant thereto. This warranty shall survive any inspection, delivery, acceptance of, or payment by TDS for the Products or Services.
- b. Counterfeit Parts Avoidance. Seller represents and warrants to TDS and Customer that either (i) it is the original equipment manufacturer ("OEM") of the Products or is authorized by the OEM to distribute the Products, or (ii) it shall acquire the Products directly from the OEM of the Products or the OEM's authorized distributor.
- c. Special Processes and External Service Providers. If Seller's performance of its obligations under the Purchase Order will include any "special process" as described in AS 9100 Rev. D Requirement 8.5.1.2 (which will be provided to Seller on request), Seller shall notify the TDS Procurement Rep and promptly provide to TDS such information as is reasonably requested by TDS for execution of TDS's special process verification procedure. Seller shall provide prompt written notice to the TDS Procurement Rep of any change to any special process identified under this Section 11.c. Any proposed subcontract for Services is subject to Section 15 and Seller must obtain TDS's prior written consent before entering into any such subcontract.



- d. Other Quality Management Requirements. Seller agrees to comply with the applicable quality management requirements expressly identified on the face of each Purchase Order (if any), including (to the extent applicable) requirements for design approval, inspection or verification of Products and/or Services, and investigation or auditing of quality management policies, processes, and procedures. Supplier agrees to flow down to its own suppliers the applicable requirements in Sections 11.b. through 11.f., including quality management requirements identified on the face of each Purchase Order (if any).
- e. Seller shall provide prompt written notice to the TDS Procurement Rep if Seller identifies any Services, Products, or processes involved in Seller's performance hereunder which fail to comply with Seller's quality management system or the requirements of this Section 11.
- f. Record Retention. Seller must retain its records created in the ordinary course of its business related to the applicable quality management requirements identified in Sections 11.b. through 11.d. for a minimum of three (3) years following completion of the relevant Purchase Order.

12. TERMINATION

- a. TDS may terminate all or any portion of the Purchase Order that has not been performed by Seller prior to the termination. On a termination that is not for Seller's breach of its obligations under this Agreement and not for the convenience of Customer, TDS shall pay Seller for Products and Services delivered and accepted prior to the termination and which comply with the requirements of the Purchase Order.
- b. If TDS terminates any part of a Purchase Order as a result of the termination for convenience of Customer of any part of TDS's contract with Customer, the rights, duties, and obligations of the parties shall be in accordance with the applicable FAR or other contract provision governing termination for convenience of Customer, which provisions shall be made available to Seller upon request.
- c. If TDS terminates a Purchase Order due to Seller's breach of any of its obligations under this Agreement, including, but not limited to, pursuant to Section 4.b., Seller's compensation is limited to the Purchase Order price of Products and/or Services delivered and accepted before the termination which comply with the requirements of the Purchase Order, less an adjustment for damages and costs incurred by TDS as a result of Seller's breach. Seller's acceptance of such payment is a waiver of any and all claims by Seller that the amount paid was insufficient and constitutes its acknowledgment of TDS having paid all amounts due.
- d. TDS's rights and remedies in this Section are in addition to any other rights and remedies provided by law or in equity, or otherwise under this Agreement.

13. INDEPENDENT CONTRACTOR

Seller is an independent contractor and its employees and agents are not employees or agents of TDS for any purpose. Seller shall not have any right, power or authority to create any obligation, express or implied, on behalf of TDS and shall not have any authority to represent itself as an agent of TDS.

14. INDEMNIFICATION



Seller shall defend, indemnify, and hold harmless TDS, its affiliates and Customers and its and their respective officers, directors, employees, consultants, agents, affiliates, successors and assigns from and against all losses, costs, claims, causes of action, damages, liabilities, fees, and expenses, including, but not limited to, reasonable attorneys' fees, all expenses of litigation and/or settlement, and court costs, arising out of or related to (i) any action, claim, suit, or demand alleging harm resulting from any act or omission of Seller, its officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of any of Seller's obligations under this Agreement; (ii) Seller's breach of this Agreement; (iii) any action, claim, suit, or demand by any subcontractor or supplier arising out of or related to Seller's obligations under this Agreement (including but not limited to claims related to Seller's actual or alleged failure to pay amounts due for goods and services obtained by Seller as part of its performance hereunder); and/or (iv) any action, claim, suit or demand by any person or entity not a party to this Agreement that involves a contention that the Products infringe or otherwise violate the intellectual property rights of any person or entity. If an injunction is obtained against the use of the Products or a portion thereof as a result of alleged infringement or misappropriation of intellectual property, in addition to all other remedies available to TDS, Seller shall, as directed by TDS and in TDS's sole discretion, either (x) procure for TDS and Customer the right to continue using the Products, (y) replace or modify the Products so they become non-infringing, or (z) refund all amounts paid to Seller for the infringing Products.

15. ASSIGNMENT

Seller shall not delegate any duties, nor assign any rights or claims under this Agreement without the prior written consent of TDS, and any such attempted delegation or assignment shall be void.

16. HANDLING OF INFORMATION

- a. All drawings, specifications, technical data, price or cost information, and other information furnished to Seller by TDS or Customer in connection with the Purchase Order are confidential and shall remain the property of TDS or Customer, and shall not be copied or otherwise reproduced or used in any way except in connection with performance of the Purchase Order and in accordance with applicable laws. Seller shall keep all such information confidential. If TDS and Seller are parties to a mutual non-disclosure agreement, this Section 16.a. does not modify or displace that agreement.
- b. Seller shall not generate advertising, marketing materials, publicity, or announcements that include or utilize TDS's name or trademarks, Customer's name or any information regarding this Purchase Order without TDS's prior written approval.
- c. Information provided by Seller to TDS may be used by TDS for its contract with Customer.
- d. TDS may use Seller's logo and related marks in TDS marketing materials, websites, brochures, and at tradeshows for the purposes of promoting Seller's Products.
- e. TDS is responsible for liaison and communication related to this Agreement with the Customer and TDS's other suppliers and Seller shall not communicate with the Customer or TDS's other suppliers regarding this Agreement without TDS's prior written consent. Notwithstanding the foregoing, nothing in this Agreement



restricts in any way Seller's right to communicate with the Customer regarding matters unrelated to this Agreement or to sell its products or services directly to the Customer or any other Government entity.

- f. Seller shall promptly provide to TDS such information as is reasonably necessary for TDS to perform its reporting and record-keeping obligations under its contract with the Customer, which obligation shall survive termination of this Agreement.

17. COMPLIANCE WITH LAWS AND REGULATIONS

- a. Seller and its employees, agents, consultants, suppliers, or subcontractors shall comply with the applicable provisions of all federal, state, and local laws and regulations in performance of this Agreement, specifically including those laws applicable to the ship-to location on the Purchase Order.
- b. Seller shall comply with the applicable provisions of the document entitled "FAR and DFARS Flowdown Clauses" posted to TDS's website and incorporated by reference in each Purchase Order (the "Flowdowns"). The version of the document posted at the time each Purchase Order is accepted shall apply to that Purchase Order.
- c. Seller certifies that neither Seller nor any of its principals are presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by the U.S. government.
- d. Seller acknowledges that TDS's contract with Customer requires TDS to provide information regarding the country of origin of some Products. Seller hereby represents and warrants to TDS and Customer that all information provided by Seller to TDS regarding the origin of Products shall be true, correct, and complete. Seller acknowledges that TDS's contracts with its customers may require TDS to comply with the requirements of 10 U.S.C. § 4862 (the "Berry Amendment"), as implemented by DFARS Section 225.7002. Seller hereby represents and warrants to TDS and Customer that all information provided by Seller to TDS regarding the compliance of Products with the Berry Amendment shall be true, correct, and complete. Seller shall notify TDS immediately if any of the information provided by Seller to TDS regarding the country of origin or Berry Amendment compliance status of any Product changes. TDS may from time to time, on reasonable written notice, inspect Seller's production facilities and audit Seller's records related to the manufacture of Products that are subject to the Berry Amendment.
- e. Seller shall comply with the Defense Industry Initiative Model Supplier Code of Conduct, available at <http://TDS.LLC.com/pdfs/DII-Model-Supplier-Code-of-Conduct.pdf>, in the performance of this Agreement.
- f. Seller represents and warrants to TDS and Customer that it shall timely pay to all subcontractors and suppliers all amounts due from Seller in connection with the performance of its obligations hereunder.
- g. TDS, the Comptroller General of the United States, and their respective authorized representative(s), shall have access to and right to examine any of Seller's directly pertinent records involving transactions related to this Agreement. Seller shall make available at its offices, at all reasonable times, the records, materials, and other evidence for examination, audit, or reproduction, until three (3) years after final payment under this Agreement. If this Agreement is completely or partially terminated, the records relating to the work terminated shall be made available for 3 years after any resulting final termination settlement. Seller shall



retain records relating to disputes, litigation (including any appeals) or the settlement of claims arising under or relating to this Agreement until such disputes, litigation or claims are finally resolved. As used in this Section 17.g., records include, but are not limited to, books, documents, accounting procedures and practices, and other data, regardless of type and regardless of form. This Section 17.g. does not require Seller to create or maintain any record that Seller does not maintain in the ordinary course of business or pursuant to a provision of law.

- h. Promptly on request by TDS, Seller shall provide the information required by FAR 52.204-10(d)(3) or shall certify to TDS in writing that reporting is not required under 52.204(d)(3)(i) or (ii).
- i. TDS is committed to the sustainability of the Earth and its resources. Seller shall comply with applicable legal and regulatory requirements related to environmental protection in its performance of each Purchase Order.

18. EQUAL EMPLOYMENT OPPORTUNITY

- a. TDS and Seller shall comply with all applicable laws, regulations, and executive orders concerning nondiscrimination in employment. The following are incorporated herein by reference, as applicable: (i) Executive Order 13496 (and its implementing regulations at 29 C.F.R. Part 471); (ii) 41 C.F.R. Part 60-1.4(a); (iii) 29 C.F.R Part 471, Appendix A to Subpart; (iv) 41 C.F.R. 60-300.5(a); and (v) 41 C.F.R. 60-741.5(a).
- b. **TDS and Seller shall abide by the requirements of 41 C.F.R 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.**
- c. **TDS and Seller shall abide by the requirements of 41 C.F.R 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.**

19. OFFICE OF FOREIGN ASSET CONTROL

Seller represents and warrants to TDS and Customer that (i) Seller has not been designated as a "specifically designated national and blocked person" on the most current list published by the Office of Foreign Asset Control of the U.S. Department of the Treasury ("OFAC") (the "List"); (ii) Seller is currently in compliance with and will at all times during the term of this Purchase Order remain in compliance with the regulations of OFAC and any statute, executive order (including Executive Order 13224 - Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action relating thereto; (iii) Seller shall not transfer or permit the transfer of any controlling interest in Seller to any person or entity who is, or any of whose beneficial owners are, listed on the List; and (iv) to the best of Seller's knowledge, the representations and warranties in clauses (i), (ii), and (iii) above are true and correct for all sub-suppliers,



vendors, and subcontractors on whose products or services Seller will rely for any part of Seller's performance under this Agreement.

20. EXPORT COMPLIANCE

- a. Seller shall comply with all applicable U.S. export control laws and regulations, to include the International Traffic in Arms Regulations (ITAR), 22 C.F.R. 120 et seq.; the Arms Export Control Act, 22 U.S.C. 2751-2794; and the Export Administration Regulations, 15 C.F.R. 730-774.
- b. Seller shall notify TDS if any Product or Service on the Purchase Order is restricted by export control laws or regulations. Seller shall provide the classification for Products and Services on request by TDS and notify TDS if the classification changes before shipment of any Product or performance of any Service.
- c. If Seller is engaged in exporting, manufacturing, or brokering defense articles or furnishing defense services, Seller represents and warrants to TDS and Customer that Seller is and will continue to be registered with the Directorate of Defense Trade Controls (DDTC), and it maintains an effective export compliance program. Seller shall provide a copy of such DDTC registration on request by the TDS Procurement Rep.
- d. Seller shall notify TDS immediately if its export privileges are denied, suspended, or revoked in whole or in part by any U.S. government entity.
- e. In accordance with ITAR Section 130, Seller shall notify the TDS Export Compliance Department, at the time of acceptance of the Purchase Order, of any fees, commissions or political contributions that have been paid, or offered or agreed to be made in relation to the Purchase Order pursuant to Section 130.12 of the ITAR if applicable.
- f. Seller represents and warrants to TDS and Customer that Seller and its directors, officers, and majority equity owners are not listed on any excluded or denied party lists maintained by the U.S. Government. Seller shall notify TDS immediately if any such party becomes listed on any such lists.

21. INSURANCE

Seller agrees to maintain general liability insurance at its own expense, including products liability and completed operations liability, that is acceptable to TDS and, at a minimum, commercially adequate and reasonable. In addition, Seller agrees to name TDS as an additional named insured on such policies. Seller shall provide TDS with certificates of insurance for all applicable insurance policies on request.

22. GOVERNING LAW, JURISDICTION, VENUE & JURY WAIVER

This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without regard for conflicts of law provisions. The United Nations Convention on the International Sale of Goods does not apply to this Agreement. For purposes of all claims brought under this Agreement, each of the parties hereby irrevocably submits to the exclusive jurisdiction of the federal and state courts located in Norfolk, Virginia. In addition, the parties waive their rights to trial by jury for all claims brought under this Agreement.



23. ORDER OF PRECEDENCE

Any inconsistencies in the documents that make up this Agreement shall be resolved in accordance with the following descending order of precedence: (i) each Purchase Order, including its attachments and documents incorporated by reference in the Purchase Order; (ii) these Terms and Conditions of Purchase; (iii) the Flowdowns; (iv) the Statement of Work, if any; and (v) specifications provided in writing by TDS.

24. MISCELLANEOUS PROVISIONS

- a. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver of such party's rights or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.
- b. If any provision of the Purchase Order is or becomes void or unenforceable by operation of law, the remaining provisions shall be valid and enforceable.
- c. The provisions of Sections 1, 2, 4, 7, 10-17, and 20-24 of these Terms and Conditions of Purchase shall survive completion of or termination of the Purchase Order and remain in full force and effect thereafter.
- d. This Agreement and all of its terms shall be binding upon, and inure to the benefit of, each party's permitted successors and assigns. Customer is an express third party beneficiary of this Agreement.
- e. These Terms and Conditions of Purchase, each Purchase Order issued to and accepted by Seller, attachments and documents incorporated into each by reference, and, if applicable, any existing mutual non-disclosure agreement between TDS and Seller, constitute the entire agreement between TDS and Seller, and supersede all prior representations, agreements, understandings, and communications, written or oral, between TDS and Seller related to the subject matter of each Purchase Order.