

Standard Purchase Order Terms & Conditions

Rev 1
10/15/2026

1. **Agreement and Acceptance:** These standard purchase order master terms and conditions (these "Terms") apply to each purchase order ("Purchase Order") issued by Atlas Gunworks of 135 Northside Drive, Shelburne, VT 05482 ("Buyer") to the supplier of goods and services ("Seller"). The goods and services supplied under a Purchase Order are the "Work." These Terms, together with the Purchase Order, statement of work, and any other documents specifically incorporated by reference in any such documents, constitute the entire agreement between Buyer and Seller (the "Agreement"). This Agreement supersedes any previous oral or written representations, including but not limited to provisions in Seller's quotations, proposals, acknowledgments or other documents. These Terms prevail over any contrary or inconsistent terms in any Seller invoice, acknowledgment, or other Seller writing. Seller's acceptance or acknowledgment of a Purchase Order, or commencement of performance, constitutes Seller's acceptance of these Terms. The version of these Terms identified on the face of, or referenced from, the Purchase Order as of the Purchase Order date applies to that Purchase Order. Buyer may revise these Terms for future Purchase Orders, but no revision will retroactively modify an existing Purchase Order.
2. **Price Terms:** Seller shall furnish the Work at the price set forth in the Purchase Order. Seller will not be paid for any goods delivered or services performed that have not been authorized by an approved Purchase Order prior to commencement of work or production.
3. **Delivery, Transportation, and Documentation:** Certificates of Conformance and/or lot certification, where requested, must accompany each shipment. The goods shall be shipped by the carrier Buyer designates.

Time is of the essence. Seller shall deliver the exact quantities on the dates and to the location stated in the Purchase Order. Seller shall promptly notify Buyer in writing of any actual or anticipated delay, its cause, expected duration, and corrective plan. Notice does not excuse delay or modify the delivery schedule.

Buyer may reject or return early, late, partial, or excess shipments at Seller's expense. If Seller fails to meet the delivery schedule, Buyer may, in addition to its other rights and remedies, direct Seller to make expedited routing at Seller's expense. Acceptance of a late delivery does not waive Buyer's rights.

Unless the Purchase Order expressly states otherwise, Seller shall deliver the Work freight prepaid to Buyer's delivery location. Title and risk of loss pass to Buyer only upon delivery and acceptance at that location. Seller bears the risk of loss for rejected Work unless loss is caused by Buyer's negligence or willful misconduct. All Work must be delivered free and clear of liens and encumbrances.

The goods shall be properly packed, marked, loaded and shipped as required by Buyer and by the transporting carrier. Seller must include Buyer's Purchase Order number on all correspondence, invoices, customs documents, and packing slips. Seller must include Buyer's part number and lot number, if applicable, on all box labels. Seller shall reimburse Buyer for all expenses incurred due to improper packing, marking, loading or routing.

Upon any actual or reasonably anticipated unexcused delay, Buyer may obtain substitute Work and reduce or cancel the affected quantities without liability. Seller shall reimburse Buyer for reasonable incremental cover, expediting, inspection, and transition costs caused by the delay. Buyer's exercise of these rights does not waive any other remedy.

4. **Express Warranties:** With respect to the goods or services purchased under this Agreement, and all other goods or services purchased from Seller, Seller expressly warrants, for twelve (12) months or such other period as agreed upon with Buyer beginning on Buyer's acceptance (the "Warranty Period"), as follows: (a) the goods shall strictly conform to all specifications and drawings approved in writing by Buyer and to all instructions, advertisements, statements on containers or labels, descriptions and samples; (b) the goods shall be free from defects in workmanship and material and shall be new and of the highest quality; (c) Buyer shall receive title to

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the goods that is free and clear of any liens and encumbrances; (d) the goods shall not infringe any actual or claimed patent, copyright or trademark; (e) the goods shall be merchantable, safe and fit for Buyer's intended purposes, which purposes have been communicated to Seller; (f) the goods shall conform to applicable regulatory and statutory requirements, and (g) the goods shall be adequately contained and packaged to eliminate damage and with appropriate markings and labels.

These warranties shall survive inspection, test, delivery, acceptance, use and payment by Buyer and shall inure to the benefit of Buyer, its successors, assigns, customers and the users of Buyer's products. These warranties may not be limited or disclaimed by Seller.

If Buyer experiences any defect, failure or non-conformity during the Warranty Period, Buyer shall have the right to take the following actions, at Buyer's option: (1) retain the defective goods in whole or in part with an appropriate adjustment in the price for the goods; (2) require Seller to cure defects in goods within a reasonable period determined by Buyer in its sole discretion based on the urgency of the situation; or (3) require Seller to repair or replace the defective goods in whole or in part at Seller's sole expense, including all installation, shipping and transportation costs.

5. **Intellectual Property:** Each party retains ownership of intellectual property it owned or developed independently of the Purchase Order. Buyer owns all drawings, specifications, data, Tools, and other materials furnished by Buyer ("Buyer Materials") and all modifications or derivative works of Buyer Materials.

Unless the Purchase Order states otherwise, all designs, drawings, specifications, reports, software, documentation, inventions, and other deliverables created specifically for Buyer and paid for by Buyer under the Purchase Order ("Developed Materials") are works made for hire for Buyer to the extent permitted by law. Seller assigns to Buyer all right, title, and interest in Developed Materials, shall obtain corresponding written assignments from its personnel and subcontractors, waives and shall obtain waivers of moral rights to the extent permitted by law, and shall execute further documents reasonably requested to confirm Buyer's ownership.

Seller retains ownership of its preexisting tools, know-how, processes, and technology incorporated into the Work ("**Seller Background Materials**"). Seller grants Buyer, its affiliates, customers, service providers, and successors a perpetual, irrevocable, worldwide, royalty-free, transferable and sublicensable license to use, reproduce, modify, repair, maintain, make, have made, sell, offer for sale, import, and otherwise exploit Seller Background Materials only as incorporated into or necessary to use, support, repair, or obtain replacement sources for the Work or Developed Materials.

If any Work or Developed Material is or is likely to become subject to an infringement or misappropriation claim, Seller shall, at its expense and Buyer's option: (i) obtain for Buyer and its customers the right to continue using and selling it; (ii) replace or modify it without loss of function, performance, interchangeability, or regulatory status; or (iii) refund all amounts paid and provide transition assistance and information sufficient for Buyer to obtain a noninfringing alternative. These obligations supplement Seller's indemnification obligations.

6. **Termination:** Buyer may terminate this Agreement or any Purchase Order for cause in the event of any default by Seller. Cause includes, without limitation:
- (a) late delivery; (b) delivery of goods that are defective or that do not conform to this Agreement; or (c) failure upon request to provide Buyer with reasonable assurances of future performance. Buyer may also terminate this Agreement immediately upon any of the following: (a) insolvency of Seller; (b) the filing of a voluntary petition in bankruptcy by Seller or an involuntary petition in bankruptcy against Seller; (c) the execution by Seller of an assignment for the benefit of creditors; or (d) the appointment of a receiver over Seller's assets. Buyer reserves the right to terminate this Agreement or any Purchase Order for its sole convenience, without reason or cause. Upon termination for convenience, Seller shall immediately stop all work and cause all of its suppliers and subcontractors to cease work. Upon approval by Buyer, Seller shall be paid a reasonable termination charge consisting solely of a percentage of the Purchase Order price reflecting the percentage of the work performed

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prior to the notice of termination. Seller shall not be paid for any work performed after receipt of the notice of termination.

7. **Inspection** Buyer may inspect the goods during any stage of their manufacture, construction, preparation, delivery or completion. Buyer shall have the right to enter Seller's premises at reasonable times to verify that the goods covered by this Agreement conform to all specified requirements, and Seller agrees to provide any and all supporting documentation required by Buyer or Buyer's customers in the course of such inspection. At Buyer's request, Seller shall submit production and quality test reports and related data.
8. **Assignment and Subcontracting:** Seller may not assign the Purchase Order, delegate a material obligation, subcontract any Work involving Buyer Materials or regulated articles, or subcontract all or a substantial portion of the Work without Buyer's prior written consent. Any purported assignment or delegation in violation of this Section is void. Seller shall give Buyer at least thirty (30) days' advance written notice of a proposed change of control, merger, sale of material assets, or material change in ownership or management affecting performance, and Buyer may terminate affected Purchase Orders without liability before the change becomes effective. Buyer may assign the Purchase Order to an affiliate or in connection with a merger, reorganization, sale of substantially all relevant assets, or change of control. Seller remains fully responsible for its suppliers and subcontractors and shall bind them to all applicable Purchase Order requirements. Buyer's consent does not relieve Seller of responsibility.
9. **Indemnification:** To the fullest extent permitted by law, Seller agrees to indemnify, hold harmless, and defend Buyer and its affiliated companies, their directors, officers, employees, agents and customers and retail consumers ("Indemnitees") from and against any loss, liabilities, damages, attorneys' fees, and expenses that may be sustained or claimed against an Indemnatee: (a) arising out of defective goods or negligent services hereby ordered; (b) arising from injury to persons or property; or (c) arising out of actual or alleged infringement, including infringement of any patent, trademark, or copyright, relating to goods designed and provided by Seller.
10. **Tools:** All supplies, materials, tools, jigs, dies, gauges, fixtures, molds, patterns, equipment, ancillary products and other items furnished by Buyer to Seller to perform this Agreement, or for which Seller has been reimbursed by Buyer ("Tools"), shall be and remain the property of Buyer. Seller shall bear the risk of loss of and damage to Tools. Tools (a) shall at all times be properly housed and maintained by Seller, (b) shall not be used by Seller for any purpose other than the performance of this Agreement, (c) shall be deemed to be personal property, not a fixture, (d) shall be conspicuously identified as property of Buyer, with specific reference to Buyer's identity and relevant part numbers, (e) shall not be commingled with the property of Seller or with that of a third party, and (f) shall not be moved from Seller's premises without Buyer's prior written approval.
11. **Taxes:** Any tax, tariff, or duty that is imposed upon Seller by any governmental authority and included by Seller in the price shall be separately stated on Seller's invoice(s).
12. **Invoices:** Seller shall issue a separate invoice for each separate shipment. Each invoice shall include: (a) the Agreement/Purchase Order number; (b) Buyer's part numbers; and (c) quantities shipped. Unless otherwise agreed in writing, Buyer shall pay undisputed amounts within thirty (30) days after the later of acceptance of the goods or services and receipt of a correct invoice. Delays in receipt of goods or services, acceptance of goods or services, or an incorrect invoice will be just cause for Buyer to withhold payment without losing discount privileges. Cash discounts, if any, shall be computed from the later of receipt of the correct invoice or receipt of the goods or services.
13. **Limitation of Liability:** Buyer's liability to pay any amount to Seller for any reason shall not exceed the amount Buyer has agreed to pay Seller for the goods or services. Buyer shall not be liable to Seller for any consequential, incidental or special damages or commercial losses arising from the purchase of goods and/or services regardless of the cause of action or the form of the claim for damages, and even if Buyer is informed of the possibility of such damages.

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14. **Force Majeure:** Failure of Buyer to take shipments of goods or receive services hereunder, if occasioned by fire, explosion, flood, war, accident, interruption of or delay in transportation, labor trouble, governmental regulation, or any other circumstances of like or different character beyond Buyer's reasonable control, or if occasioned by partial or complete suspension of operations at any of Buyer's offices or other business locations, shall not subject Buyer to any liability to Seller by reason thereof, but, at Buyer's option, the total quantity covered by this Agreement may be reduced by the quantity of omitted shipments or services, or the specified delivery period may be extended by a time equal to that during which shipments or services shall be so omitted and such shipments shall then be made or services performed during the period of extension.
15. **Publicity:** Seller shall not use Buyer's name, trademarks, product names, images, employee statements, or the existence of the parties' relationship in advertising, publicity, customer lists, or other external communications without Buyer's prior written consent. Seller may disclose the relationship only to the extent legally required after providing notice as permitted by law.
16. **Governing Law and Disputes:** Vermont law governs this Agreement without regard to conflict-of-law principles. Seller irrevocably submits to the exclusive jurisdiction of the state and federal courts located in Chittenden County, Vermont for any dispute arising out of or relating to this Agreement, and waives any objection based on venue or inconvenient forum. EACH PARTY KNOWINGLY AND VOLUNTARILY WAIVES TRIAL BY JURY TO THE FULLEST EXTENT PERMITTED BY LAW. Pending resolution of a dispute, Seller shall continue performing all undisputed obligations so long as Buyer continues paying undisputed amounts. Buyer may seek temporary, preliminary, or permanent injunctive relief to protect its confidential information, intellectual property, Buyer Materials, or continuity of supply without waiving any other remedy.