



**STANDARD TERMS AND CONDITIONS OF SALE**

Current as of July 24, 2023

Arnold Defense & Electronics, LLC (“ADE” or “Seller”) provides these Standard Terms and Conditions of Sale (the “Agreement”) along with Seller’s quotation for specified items (“Goods”) included as page 1 of this Agreement. The quotation includes unit prices for the Goods as well as a total price (“Purchase Price”). ADE and the customer receiving this Agreement (the “Buyer”) agree to the following:

**1. Acceptance.**

SELLER ACCEPTS BUYER’S PURCHASE ORDER (WHETHER PREVIOUSLY RECEIVED OR RECEIVED IN THE FUTURE) ON THE CONDITION OF BUYER’S AGREEMENT TO THESE STANDARD TERMS AND CONDITIONS OF SALE. IN THE EVENT THIS AGREEMENT CONTAINS ADDITIONAL OR DIFFERENT TERMS THAN BUYER’S PURCHASE ORDER, THIS AGREEMENT SHALL TAKE PRECEDENCE. REGARDLESS OF WHETHER BUYER HAS SIGNED THIS AGREEMENT, BUYER’S ASSENT TO THE TERMS AND CONDITIONS CONTAINED IN THIS AGREEMENT SHALL BE CONCLUSIVELY PRESUMED FROM BUYER’S ACCEPTANCE OF ALL OR ANY PART OF THE GOODS OR FROM PARTIAL OR FULL PAYMENT BY BUYER. THESE TERMS AND CONDITIONS MAY NOT BE ADDED TO, MODIFIED, SUPERSEDED OR OTHERWISE ALTERED, EXCEPT BY A WRITTEN INSTRUMENT SIGNED BY AN AUTHORIZED EXECUTIVE OF SELLER. FAILURE OF SELLER TO OBJECT TO ANY TERMS OR CONDITIONS THAT MAY BE CONTAINED IN ANY DOCUMENT OR FORM OF BUYER SHALL NOT BE CONSTRUED AS A WAIVER OF THESE CONDITIONS, NOR AS AN ACCEPTANCE OF ANY SUCH TERMS AND CONDITIONS.

**2. Payment Terms.**

Buyer shall pay Seller in accordance with the terms set forth in the quote.

**3. Price.**

Unless otherwise agreed in writing by the parties, Buyer shall purchase the Goods from Seller at the price(s) set forth in Seller’s quotation. All prices are exclusive of all sales, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed on any amounts payable by Buyer. Buyer shall be responsible for all such charges, costs, and taxes; provided, that, Buyer shall not be responsible for any taxes imposed on, or with respect to, Seller’s income, revenues, gross receipts, personnel or real or personal property or other assets.

**4. Taxes.**

In addition to paying the Purchase Price, Buyer is solely liable for any excises, levies, or taxes that Seller may be required to pay or collect under any existing or future law and upon or with respect to the sale, purchase, delivery, storage, processing, use, consumption, or transportation of any of the Goods. Buyer agrees to pay the amount of such excises, levies, or taxes on the same terms as the Payment Terms.

**5. Warranty.**

Seller warrants that the Goods supplied hereunder shall conform to the description stated on page 1 of this quotation for a period of one (1) year from the date of issuance of Seller’s Certificate of Conformance, or twenty-five (25) shots per tube for launchers with record of shot count maintained, whichever occurs first. THE FOREGOING WARRANTY IS SELLER’S SOLE WARRANTY WITH RESPECT TO THESE GOODS. ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR

PURPOSE, ARE HEREBY DISCLAIMED. SELLER’S LIABILITY FOR BREACH OF WARRANTY HEREUNDER IS LIMITED SOLELY TO THE REPLACEMENT OF THE DEFECTIVE GOODS, WHICH SHALL BE RETURNED TO SELLER’S PLANT, TRANSPORTATION CHARGES PREPAID BY BUYER.

**6. Quality Management System.**

Seller maintains a quality management system that complies with ISO-9001:2015. Seller does not agree to comply with any additional requirements or obligations regarding quality management systems, including (but not limited to) documentation, personnel, certifications, flow down requirements, notifications, audits or surveys, use of specified suppliers/manufacturers, obsolescence, monitoring, packaging, or production.

**7. Limitation of Liability.**

SELLER SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES, LOST PROFITS OR REVENUES OR DIMINUTION IN VALUE, ARISING OUT OF OR RELATING TO (i) ANY BREACH OF THE TERMS OF THIS AGREEMENT, REGARDLESS OF THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT OR OTHERWISE) UPON WHICH ANY SUCH CLAIM MAY BE BASED; (ii) ANY NEGLIGENT OR INTENTIONALLY WRONGFUL ACTS OR OMISSIONS OF SELLER OR IN THE EVENT SUCH ACTS AND OMISSIONS AND LIABILITY THEREUPON IS IMPOSED BY LAW; AND/OR (iii) ANY ACTUAL OR ALLEGED INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHT (INCLUDING U.S. OR FOREIGN PATENT, COPYRIGHT, TRADE SECRET, TRADEMARK, OR OTHER PROPRIETARY RIGHT), OR THE ACTUAL OR ALLEGED MISAPPROPRIATION OF ANY TRADE SECRET RELATING TO THE WORK, SERVICES, TECHNOLOGY OR DELIVERABLES UNDER THIS AGREEMENT. IN NO EVENT SHALL SELLER’S AGGREGATE LIABILITY HEREUNDER, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EXCEED THE PURCHASE PRICE AMOUNT PAID BY BUYER TO SELLER FOR SUCH GOODS HEREUNDER.

**8. Security Interest.**

Shipments, deliveries, and performance of work by Seller shall, at all times, be subject to the approval of and requirements of the credit department of Seller, including the requirement that Buyer pay part or all of the Purchase Price in advance. Seller hereby retains a purchase money security interest in all Goods not paid for in full by Buyer.

**9. Governing Law; Jurisdiction; Venue.**

This Agreement, and the application and interpretation hereof, shall be subject to and governed exclusively by its terms and by the laws of the State of Missouri, without regard to its conflict of laws provisions. The parties agree that proper jurisdiction and venue for resolution of any and all disputes hereunder shall be exclusively in the state courts of Missouri and/or the United States District Courts of Missouri.

**10. Delay.**

If Buyer requests deferral of deliveries, Seller may, in its sole discretion, agree to defer delivery for a reasonable time. Seller’s agreement to defer delivery shall not excuse Buyer from its obligation to pay for the Goods at the same times and in the same amounts as the original delivery schedule. In addition to adhering to the original payment schedule, Buyer shall pay



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such storage charges as Seller may assess for storing the goods awaiting delivery. If Buyer requests deferral prior to commencement of production, Seller may require progress payments in connection with expenses for materials and services incurred by Seller in anticipation of production.

### 11. Delivery; Title; Risk of Loss.

Unless otherwise agreed in writing by the parties, delivery shall be made ExWorks Seller's facility in Arnold, Missouri (the "Delivery Point") in accordance with Incoterms 2010. Title and risk of loss passes to Buyer upon delivery of the Goods at the Delivery Point. Seller may, in its sole discretion, without liability or penalty, make partial shipments of the Goods to Buyer. Each shipment will constitute a separate sale, and Buyer shall pay for the Goods shipped whether such shipment is in whole or partial fulfillment of Buyer's purchase order. All quoted delivery dates are estimates and are non-binding on Seller. The quantity of any installment of Goods as recorded by Seller on dispatch from Seller's place of business is conclusive evidence of the quantity received by Buyer on delivery, unless Buyer can provide conclusive evidence proving the contrary.

### 12. Compliance with Laws.

Buyer shall comply with all applicable laws, regulations and ordinances and maintain in effect all the licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations hereunder. Buyer shall comply with all export and import laws of all countries involved in the sale of the Goods herein or any resale of the Goods by Buyer. Buyer assumes all responsibility for shipments of Goods requiring any government import clearance. If any governmental authority imposes antidumping or countervailing duties or any other penalties on any Goods, Seller may terminate its obligations hereunder without liability.

### 13. Export Controls.

This Agreement is subject to United States export laws and regulations controlling the export, re-export, diversion, and resale of the products the subject of this Agreement, including any software, documentation, technical data, and confidential information (collectively, "U.S. Export Controls"). These U.S. Export Controls include, but are not limited to, the United States International Traffic in Arms Regulations (ITAR), the United States Export Administration Act and the United States Department of Commerce Export Administration Regulations. Buyer acknowledges and agrees to be responsible for compliance with these U.S. Export Controls and to not engage in any course of conduct that would be in violation of the U.S. Export Controls. Not by way of limitation of the foregoing, Buyer shall not export, re-export, divert or resell the products the subject of this Agreement, including any software, documentation, technical data, or confidential information, in violation of U.S. Export Controls. Performance of this Agreement is contingent upon compliance with *all* the export laws and regulations of the United States. Seller may terminate its obligations hereunder without liability to Buyer if (a) any such

law or regulation cannot be complied with, (b) this Equipment is prohibited from being exported at any time by the United States Government, or (c) the Parties are not able to secure appropriate export authorization from the United States Government after making good faith efforts. In the event Seller exercises this right of termination, Buyer will not be refunded any Deposit, progress payment or other prepayment.

### 14. Force Majeure.

The Seller shall not be liable or responsible to Buyer, nor be deemed to have defaulted or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement when and to the extent such failure or delay is caused by or results from acts or circumstances beyond the reasonable control of Seller including, without limitation, acts of God, flood, fire, earthquake, explosion, governmental actions, war, invasion or hostilities (whether war is declared or not), terrorist threats or acts, riots, or other civil unrest, national emergency, revolution,

insurrection, epidemic, pandemic, lockouts, strikes or other labor disputes (whether or not relating to either party's workforce), or restraints or delays affecting carriers or inability or delay in obtaining supplies of adequate or suitable materials, materials or telecommunication breakdown or power outage.

### 15. Intellectual Property Rights.

Buyer acknowledges and agrees that: (a) any and all of Seller's Intellectual Property Rights (as hereinafter defined) are the sole and exclusive property of Seller or any applicable of its licensors; (b) Buyer shall not acquire any ownership interest in any of Seller's Intellectual Property Rights; and (c) Buyer shall have a limited, unexclusive license to use Seller's Intellectual Property Rights solely for purposes of using the Goods and only in accordance with the terms of this Agreement and the instructions of Seller. "Intellectual Property Rights" means all industrial and other intellectual property rights comprising or relating to: (i) patents; (ii) trademarks; (iii) works of authorship, expressions, designs and design registrations, whether or not copyrightable; (iv) trade secrets; and (v) all industrial and other intellectual property rights, interests and protections that are associated with, equivalent or similar to, or required for the exercise of, any of the foregoing. Buyer additionally agrees to maintain and reproduce on all documents any proprietary and confidentiality markings and other legends of Seller contained thereon. Buyer will not add any further markings to such documents without the prior written consent of the Seller.

### 16. Packing.

Seller to provide the Goods to Buyer in their standard crates. Buyer, which bears the risk of loss upon delivery of the Goods at the Delivery Point, agrees that it does not require any special handling.

### 17. Severability.

The invalidity or unenforceability of any term or provision of this Agreement will in no way affect the validity or enforceability of any other term or provision to the extent permitted by law.

### 18. Survival.

Subject to the limitations and other provisions of this Agreement, any provision that, in order to give proper effect to its intent, should survive such expiration or termination, shall survive the expiration or earlier termination of this Agreement.