

BASTION TECHNOLOGIES, INC.

(To be referred to interchangeably herein as “BASTION” or “Buyer”)

TERMS AND CONDITIONS - COMMERCIAL SUPPLIES OR SERVICES

If the Purchase Order is for commercial supplies or services and is not placed under a prime Government contract or subcontract, then skip to section 1.

If the Purchase order is for commercial supplies or services and is placed under a prime Government contract or subcontract, then the following Federal Acquisition Regulation (FAR) Clauses are hereby incorporated in and made a part of this Purchase Order with the same force and effect as if set forth in full text. The Seller hereby acknowledges that it has in his possession or is otherwise familiar with all of the Clauses incorporated herein by reference and agrees to perform this Purchase Order in accordance with the provisions of such referenced Clauses, and the other provisions of this Purchase Order.

Whenever appearing, the terms “Government”, “National Aeronautics & Space Administration”, “NASA”, “Department of Defense” “DoD” and “Contracting Officer” shall be construed to mean “Bastion Technologies, Inc.”, except where such terms are used in a manner which clearly contemplates the Government in a role not as a party to this Purchase Order. Wherever appearing, the terms “Contractor” and “Contract” shall be construed to mean “Seller” and “Purchase Order” respectively.

The following FAR clauses and provisions are hereby incorporated by reference:

FAR Reference	FAR Clause Title	Applicability
FAR 52.203-13 (Jun 20)	Code of Business Ethics and Conduct	Subcontracts more than \$6,000,000 and performance period of more than 120 days
FAR 52.203-15 (Jun 10)	Whistleblower Protections Under the American Recovery and Reinvestment Act	Subcontracts funded with Recovery Act funds
FAR 52.203-19 (Jan 17)	Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements	Internal confidentiality agreements or NDAs cannot prohibit reporting waste, fraud, or abuse related to a USG contract
FAR 52.204-21 (Jun 16)	Basic Safeguarding of Covered Contractor Information Systems	Subcontractor has Federal contract info residing in or transiting through its information system
FAR 52.203-23 (Jul 18)	Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities	Applies to all subcontracts
FAR 52.204-25 (Aug 20)	Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment	Applies to all subcontracts
FAR 52.219-8 (Oct 18)	Utilization of Small Business Concerns	Subcontracts more than \$750,000
FAR 52.222-21 (Apr 15)	Prohibition of Segregated Facilities	Subcontracts more than \$10,000
FAR 52.222-26 (Sep 16)	Equal Opportunity	Subcontracts more than \$10,000
FAR 52.222-35 (Jun 20)	Equal Opportunity for Veterans	Subcontracts more than \$150,000
FAR 52.222-36 (Jun 20)	Equal Opportunity for Workers with Disabilities	Subcontracts more than \$15,000
FAR 52.222-37 (Jun 20)	Employment Reports on Veterans	Subcontracts more than \$150,000
FAR 52.222-40 (Dec 10)	Notification of Employee Rights Under the National Labor Relations Act	Subcontracts more than \$10,000
FAR 52.222-50 (Oct 20)	Combat Trafficking in Persons	Subcontracts more than \$550,000 outside of U.S.
FAR 52.222-55 (Nov 20)	Minimum Wages Under Executive Order 13658	Subcontracts subject to Service Contract Labor Standards statute or the Wage Rate Requirements statute
FAR 52.222-62 (Jan 17)	Paid Sick Leave Under Executive Order 13706	Subcontracts subject to Service Contract Labor Standards statute or the Wage Rate Requirements statute
FAR 52.223-99 (Sep 21)	Ensuring Adequate COVID-19 Safety Protocols for Federal Contractors. (DEVIATION 21-03)	Subcontracts more than \$10,000
FAR 52.224-3 (Jan 17)	Privacy Training	Applies to all subcontracts
FAR 52.225-26 (Oct 16)	Contractors Performing Private Security Functions Outside the U.S.	Subcontracts outside of U.S.
FAR 52.232-40 (Dec 13)	Providing Accelerated Payments to Small Business Subcontractors	If payments are accelerated by USG
FAR 52.247-64 (Feb 06)	Preference for Privately Owned U.S.-Flag Commercial Vessels	Subcontract for ocean transportation services

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The following DFAR clauses and provisions are hereby incorporated by reference (if PO is for commercial items and is placed under a DoD Prime contract or subcontract)

DFAR Reference	DFAR Clause Title	Applicability
252.203-7002 (Sep 13)	Requirements to Inform Employees of Whistleblower Rights	All
252.204-7015 (May 16)	Notice of Authorized Disclosure of Information for Litigation Support	Only if subcontract is for litigation support services
252.204-7018 (Jan 21)	Prohibition on the Acquisition of Covered Defense Telecommunications Equipment or Services	All
252.204-7020 (Nov 20)	NIST SP 800-171 DoD Assessment Requirements	All, except for COTS items
252.204-7021 (Nov 20)	Cybersecurity Maturity Model Certification Requirements	Only if required by Prime contract SOW
252.225-7048 (Jun 13)	Export-Controlled Items	All
252.225-7052 (Oct 20)	Restrictions on the Acquisition of Certain Magnets, Tantalum, and Tungsten	Subcontracts more than \$250,000
252.227-7015 (Feb 14)	Technical Data – Commercial Items	Only if technical data is delivered
252.227-7037 (Sep 16)	Validation of Restrictive Markings on Technical Data	Only if restrictive markings are on data
252.232.7017 (Apr 20)	Accelerating Payments to Small Business Subcontractors – Prohibition on Fees and Consideration	Only if subcontract is to a small business
252.244-7000 (Jan 21)	Subcontracts for Commercial Items	All

1. GRATUITIES

BASTION (Buyer) may, by written notice to Seller, terminate for default the right of Seller to proceed under this Purchase Order/Contract if Buyer has reasonable cause to believe that gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by Seller or any agent or representative of Seller to any officer or employee of BASTION with a view toward securing this Purchase Order/Contract or securing favorable treatment with respect to awarding of, or performance under, this Order.

2. ORDER OF PRECEDENCE

Any inconsistencies in this solicitation or Purchase Order/Contract shall be resolved by giving precedence in the following order: (1) The Purchase Order/Contract; (2) BASTION Terms & Conditions; (3) Other documents, exhibits, and attachments.

3. ACCEPTANCE

This Purchase Order/Contract becomes the exclusive agreement between the parties for the supplies and/or services, subject to the terms and conditions herein. Any of the following shall constitute Seller's unqualified acceptance of this Order;

- (a) Written acknowledgment of this Order;
- (b) Furnishing of any supplies under this Order;
- (c) Commencement of performance of services;
- (d) Acceptance of any payment.

Seller's acceptance by any of the methods listed above shall constitute Seller's acceptance of all terms and conditions herein, notwithstanding any terms and conditions of Seller which alter in any way the provisions herein. Buyer does not assent to any such terms and conditions which alter in any way the terms and conditions herein, and such terms and conditions shall not become part of the agreement between the parties.”

4.. SPECIFICATIONS/DRAWINGS/STATEMENTS OF WORK

The Seller shall comply with all specifications, drawings, statements of work, or item descriptions on the face of the Purchase Order/Contract or referenced therein.

5. CHOICE OF LAW

This Purchase Order/Contract and the performance thereof shall be governed by the laws of the State of Texas.

6. USE OF BUYER'S DATA

Seller shall not reproduce, use, or disclose any data, designs, or other information belonging to or supplied by Buyer, except as necessary in the performance of Purchase Order/Contract requirements. Upon Buyer's request, such data, design, or other information belonging to or supplied by Buyer, shall, as between Buyer and Seller, be and remain the exclusive property of Buyer and, upon Buyer's request, such data, design, or other information, or copies thereof, shall be returned to Buyer.

7. DATA RIGHTS

The documents, drawings, specifications, schedules and other work product or writings developed, produced or prepared by Seller pursuant to or under this Purchase Order/Contract, or while performing services to BASTION shall be the sole property of BASTION and BASTION shall have exclusive rights to control distribution, and copyright such writing and documentation; furthermore, the Seller will not, without written authority from the President or authorized officer of BASTION,

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disclose to others, take, retain, or claim authorship or ownership of any such information, material, or other documentation. The Seller understands that (s)he will be held accountable and legally liable for such claims.

8. **PUBLICITY**
Seller shall not, and shall require that its suppliers shall not, cause or permit to be released any publicity, advertisement, news release, public announcement, or denial or confirmation of same, in whatever form, regarding any aspect of this Purchase Order/Contract without Buyer's prior written approval.
9. **TITLE**
Unless specified elsewhere in this Purchase Order/Contract, title to items furnished under this Order shall pass to BASTION upon delivery of the ordered goods to BASTION and approval thereof by BASTION.
10. **ASSIGNMENTS**
The Seller shall not sell, transfer, or in any way assign this Purchase Order/Contract without Buyer's consent.
11. **QUALITY CONTROL**
Seller shall provide and maintain a quality control system acceptable to Buyer. During the performance of this Purchase Order/Contract, Seller's quality control inspection systems and manufacturing processes are subject to review, verification and analysis by Buyer.
12. **INSPECTION**
The Seller shall only tender for acceptance those items that conform to the requirements of this Purchase Order/Contract. BASTION reserves the right to inspect or test any supplies or services that have been tendered for acceptance. If any inspection or test is made on the premises of Seller or its lower-tier suppliers, Seller shall, without additional cost, provide all reasonable facilities and assistance for the safety and convenience of inspectors in the performance of their duties.
13. **WARRANTY**
 - (a) In addition to all other warranties which exist at law or in equity, the Seller warrants and implies that the items delivered hereunder are merchantable and fit for use for the particular purpose described in this Purchase Order/Contract.
 - (b) Notwithstanding inspection by BASTION, or acceptance by BASTION, Seller warrants that all supplies furnished hereunder will be free from defects in material and workmanship, conform to applicable specifications, drawings, samples, descriptions, or other requirements of this Purchase Order/Contract and, unless manufactured solely according to a detailed design provided to Seller by Buyer. If there is a breach of warranty, Buyer may return such supplies at Seller's expense for correction, replacement, or credit as Buyer may direct.
 - (c) All warranties shall inure to Buyer and its customers.
14. **REJECTED SUPPLIES**
BASTION may require repair or replacement of nonconforming supplies or services at no cost to Buyer. If within fifteen (15) days after Buyer has notified Seller of the rejected supplies, Seller has not provided Buyer with reasonable disposition instructions, including agreement to pay expenses incurred by Buyer, Buyer may continue to hold the rejected supplies at Seller's expense, or return them to Seller's facility at Seller's expense. Previously rejected supplies reworked to specifications, or replaced, shall not be retendered to Buyer by Seller unless notification of such past rejection is submitted with the retender and Buyer has consented to such retender.
15. **RESPONSIBILITY FOR PROPERTY**
Unless otherwise specified, Seller shall be liable for any loss or damage to BASTION furnished property to the Seller. Seller shall be responsible for returning any such property in as good condition as when received except for reasonable wear and tear or for the utilization of it in accordance with the provisions of this order. Title to all furnished property shall remain with BASTION.
16. **INDEMNIFICATION**
 - (a) Seller shall indemnify, defend, and hold harmless Buyer from and against any and all liability for injury to persons or property arising out of or related to the items provided by Seller or work done by Seller under this Purchase Order/Contract. Seller's indemnity to Buyer shall include, but not be limited to, any and all expenses, damages assessed, attorney's fees, or any other costs, incurred by Buyer in the defense of any claim or suit; provided, however, that Seller shall not be responsible under this indemnity provision for injury to persons or property resulting solely from the negligence of Buyer, its agents, or employees.
 - (b) BASTION shall promptly notify Seller of any claim against BASTION which is covered by the indemnification provision and shall authorize representatives of Seller to settle or defend any such claim or suit and to represent BASTION in, or to take charge of, any litigation in connection therewith.
17. **PATENT INDEMNITY, TRADEMARKS, AND COPYRIGHTS**
To the extent that supplies are produced to detailed designs not originated and furnished by Buyer or by a process or method, the use of which is not specifically directed by Buyer, Buyer shall have no responsibility to Seller for patent infringement and Seller guarantees that the sale or use of such supplies or the use of such process or method hereunder will not infringe any United States or foreign patents, trademarks, or copyrights. Seller shall defend, indemnify, and hold Buyer and its customers harmless from any loss, cost, damage, expense (including, but not limited to, attorney's fees), or liability which may be incurred on account of infringement or alleged infringement of patent rights, trademarks, or copyrights with respect to such supplies. Seller shall defend, at its own expense, any action or claim in which such infringement is alleged by third parties, provided Seller is notified of such actions or claims against Buyer.

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18. CONFIDENTIAL INFORMATION

The parties hereto agree that upon receipt of information identified as PROPRIETARY OR CONFIDENTIAL, the receiving party shall allow access to this information only to those individuals who reasonably have a need to know this information for the purposes identified above and shall not reproduce any portion thereof or disclose it to any person, firm, or corporation or use it for its own benefit except as provided herein and shall use the same degree of care to avoid publication or dissemination of such information as the receiving party employs with respect to its own information which it does not desire to have published or disseminated. Such information shall not be deemed proprietary and the receiving party shall have no obligations with respect to any such information which:

- (a) Is already known to the receiving party; or
- (b) Is or becomes publicly known through no wrongful act of the receiving party; or
- (c) Is rightfully received from a third party without restriction and without breach of this Agreement; or
- (d) Is independently developed by the receiving party; or
- (e) Is furnished to a third party by the disclosing party without a similar restriction on the third party's rights; or
- (f) Is approved for release by written authorization of the disclosing party.

19. NON-WAIVER OF RIGHTS

The failure of BASTION to insist upon strict performance of any of the terms and conditions in the Order, or to exercise any rights or remedies, shall not be construed as a waiver of its rights to assert any of the same or to rely on any such terms or conditions at any time thereafter. The invalidity in whole or in part of any term or condition of this Order shall not affect the validity of other parts hereof.

20. CHANGES

- (a) By written order, Buyer may at any time make changes within the general scope of the Purchase Order/Contract. If any such change requires an increase or decrease in the cost of, or the time required for performance of any part of the work under this Purchase Order/Contract, Buyer may make an equitable adjustment in the Purchase Order/Contract prior to the delivery schedule, and will modify the Purchase Order/Contract, if requested in writing by Seller within 10 calendar days after receipt of change order.
- (b) Changes in the terms and conditions of the Purchase Order/Contract may be made only by written agreement of the parties.

21. DELIVERY

Time is of the essence in the delivery of any items to be delivered by Seller pursuant to this Purchase Order/Contract. Delivery according to schedule is of the essence. If at any time it appears to Seller that any delivery schedule cannot be met, Seller shall notify Buyer, in writing, as soon as possible as to the causes thereof and the action being taken by Seller to remove such cause or to recover to the maximum extent possible any delay in meeting such schedules. Buyer, at its sole discretion, shall choose to accept or reject the delayed items by immediate notification to Seller of its choice once it has received notice from Seller that the items will be delayed and the actions being taken by Seller to Buyer as a result of such delay. Such reasonable action by the Seller shall include but shall not be limited to shipment via expedited routing and carrier.

22. DEFAULT

- (a) In addition to, and without waiver of, all other remedies, BASTION may, by written notice of default to the Seller, terminate this Purchase Order/Contract in whole or in part if the Seller fails to perform in accordance with any of the provisions of this Purchase Order/Contract or as otherwise required of the Seller by law.
- (b) BASTION will provide a reasonable period of time, not to exceed 10 calendar days, during which the Seller shall have the opportunity to cure the Default provided, however, that a default in delivery shall not be curable except as set out in paragraph 21 herein.
- (c) A failure to perform by Seller caused entirely by force majeure shall not be considered an event of default by Seller, provided, however, that Seller shall nevertheless be liable to Buyer for expenses, damages, or costs incurred by Buyer as a result of such force majeure. The Seller shall not be liable for any excess costs if the failure to perform arises from causes beyond the control and without the fault or negligence of the Seller. Examples of such causes include (1) acts of God or of the public enemy, (2) acts of the Government in either its sovereign or contractual capacity, (3) fires, (4) floods, (5) epidemics, (6) strikes, (8) freight embargoes, and (9) unusually severe weather. In each instance the failure to perform must be beyond the control and without the fault or negligence of the Seller.

23. DISPUTES

- (a) Any disputes which shall arise as to the obligation of either party under the contract or the interpretation of any provision thereof, if not settled by agreement of the parties, shall at the option of either party and, upon written notice to the other party, be finally settled by arbitration in accordance with the rules of the American Arbitration Association. Arbitration shall take place in Houston, Texas. In any such arbitration there shall be appointed three arbitrators, one appointed by each of the parties and a third arbitrator who unless selected by agreement between the other arbitrators within fifteen (15) days after the appointment of the second arbitrator shall be appointed by the regional office of the American Arbitration Association (AAA). If either party fails to appoint an arbitrator within thirty (30) days after notice for arbitration has been given, then such appointment shall also be made by the regional office of the AAA.
- (b) Disputes shall be submitted to the arbitrators in such a manner as they deem appropriate and the decision of the majority of the arbitrators rendered in writing shall be final and conclusive and binding upon the parties. The arbitrators shall not be empowered to award punitive damages to any party.

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- (c) Each party shall pay its own expenses in connection with the arbitration, but the compensation and expense of the arbitrators shall be borne in such a manner as may be specified in the decisions of the arbitrators.

24. PACKING AND SHIPMENT

- (a) The Seller will include a receipt for prepaid shipping costs when such costs are added to the Purchase Order/Contract price.
- (b) Overnight carrier service may only be used if authorized on the Purchase Order/Contract.
- (c) Purchase Order/Contract Number(s) must appear on all correspondence; shipping labels; invoices; and shipping documents, including Packing Sheets, Bills of Lading, and Airbills.
- (d) All shipments shall be made in strict conformity with governing tariff rules and regulations and packaging specifications except where otherwise specifically required by the Purchase Order/Contract.
- (e) Seller shall use best commercial practice for packing and packaging of items to be delivered under this order unless otherwise specified herein. Supplies shall be prepared for shipment and packaged to prevent damage or deterioration, and give optimum protection of the supplies during shipment and in-plant handling and storage.
- (f) The packaging, labeling and shipping of all HAZARDOUS SUBSTANCES, including DANGEROUS MATERIALS, must conform with applicable international, federal and state laws/regulations.

25. INVOICE

- (a) The Seller shall submit an original invoice (or electronic invoice, if authorized) to the address designated in the Order. The invoice must include:
 - 1. Name and address of the Seller;
 - 2. Invoice Date;
 - 3. Purchase Order/Contract Number;
 - 4. Description, quantity, unit of measure, unit price and extended price of the items delivered;
 - 5. Shipping number and date of shipment;
 - 6. Terms of any prompt payment discount offered;
 - 7. Name, title, and phone number of Seller's point of contact.
- (b) Without limiting Buyer's other remedies, if supplies/services are not furnished when scheduled, Buyer may withhold remaining payments (or such portion thereof as Buyer may deem equitable) until such deficiency or delinquency is cured. All shipping costs and all Federal manufacturers' and retailers' excise and state or local taxes, when applicable, must be billed as separate items on Seller's invoice.

26. TERMINATION

- (a) BASTION reserves the right to terminate this Purchase Order/Contract, or any part hereof. In the event of such termination, the 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 Order, the Seller shall be paid a percentage of the Order price reflecting the percentage of the work performed prior to the notice of termination, plus reasonable charges the Seller can demonstrate to the satisfaction of BASTION using its standard record keeping system, have resulted from the termination. The Seller shall not be paid for any work performed or costs incurred which reasonably could have been avoided.
- (b) If the Purchase Order/Contract is terminated for default, BASTION may require the Seller to transfer title and deliver to the Buyer any (1) completed supplies, and (2) partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights that the Seller has specifically produced or acquired for the terminated portion of this contract. Upon direction of the Buyer, the Seller shall also protect and preserve property in its possession in which BASTION has an interest.
- (c) BASTION shall pay contract price for completed supplies, or services delivered and accepted. The Seller and Buyer shall agree on the amount of payment for manufacturing materials delivered and accepted and for the protection and preservation of the property and services provided. Failure to agree will be a dispute under the “Disputes” clause herein.

27. ENTIRE AGREEMENT

It is expressly agreed that this Order embodies the entire Agreement of the Parties in relation to the subject matter hereof, and that no promises, understanding, obligations, or agreements, verbal or otherwise, exist between the Parties except as herein expressly set forth. Changes in this Order shall only be binding upon both parties when executed by a duly authorized representative of both organizations.