

TRUE VELOCITY AMMUNITION, LLC.
TERMS & CONDITIONS OF PURCHASE-COMMERCIAL

- 1. ACCEPTANCE AND AMENDMENTS:** This purchase order constitutes an offer by True Velocity Ammunition, LLC. ("True Velocity") to purchase from supplier ("Supplier") the goods and/or services referenced in this purchase order exclusively under these terms and conditions. True Velocity and Supplier are individually referred to as a "Party" and collectively as the "Parties". Acceptance of this purchase order is expressly limited to these terms and conditions. No amendment, modification, or waiver of any of these terms and conditions shall be effective against True Velocity except as shall be set forth in writing signed by True Velocity's authorized representative. Terms and/or conditions proposed by Supplier in its acceptance or otherwise which are additional to or different from these terms and conditions are expressly rejected without further notification from True Velocity and shall not become a part of this purchase order. All specifications, drawings, and other data referred to in this purchase order are hereby made a part of the purchase order as if fully set forth herein. If this purchase order shows on its face that it is placed under a U.S. Government contract or subcontract or if True Velocity otherwise notifies Supplier that this purchase order is placed under a U.S. Government contract or a subcontract, certain clauses of the Federal Acquisition Regulation (FAR) (48 CFR Chapter 2) and the Department of Defense FAR Supplement (DFARS) apply. These clauses are incorporated herein by reference, and they are contained in True Velocity's current form TCP-GS, entitled "Terms and Conditions of Purchase - Government Supplement" which is also incorporated by this reference and can be found at www.tvammo.com/legal/TCPgovernment Supplier's use of subcontractors, whether selected, directed or approved by Supplier, True Velocity or True Velocity's customer, to fulfill this purchase order shall not excuse Supplier of its obligations or requirements to True Velocity under this purchase order. This purchase order shall be deemed accepted by Supplier and shall constitute the entire agreement between the Parties with respect to the subject matter hereof upon any of the following: (a) Supplier's acknowledgement of the purchase order; (b) Supplier's commencement of performance; (c) Supplier's acceptance of any payment under this purchase order; or (d) Supplier's failure to deliver written notice of rejection of this purchase order to True Velocity within ten (10) days of receipt of this purchase order.
- 2. PRICES AND PACKAGING:** Supplier's prices include: the cost of packaging the goods purchased in a manner suitable for shipment by the method specified by True Velocity, all taxes, fees and/or duties applicable to the goods and/or services, provided that any value added tax ("VAT") and/or similar tax that is recoverable by True Velocity will not be included in Supplier's price but will be separately identified on Supplier's invoice. Supplier will package, mark, and ship all goods in accordance with the requirements of this purchase order, good commercial practices, and in a manner, which will permit the securing of the best transportation rates. Damage to any article resulting from improper packaging will be charged to the Supplier. No additional charges will be allowed for containers, crating, boxing, bundling, dunnage, drayage, storage, or transportation thereof, unless stated in this purchase order. Packing slips must accompany all shipments. True Velocity's count will be accepted as final and conclusive on all shipments. True Velocity's purchase order number and Supplier's packing slip number, description, and count must appear on all invoices, packages, and bills of lading.
- 3. DELIVERY:** Supplier will make all deliveries in accordance with FCA Supplier's Facility (INCOTERMS 2020), with title to goods transferring upon delivery to True Velocity, or upon delivery to True Velocity's designated drop-ship location, unless other delivery instructions or arrangements are agreed between True Velocity and the Supplier. Supplier acknowledges that True Velocity requires on-time delivery to operate its businesses, therefore time is of the essence. Supplier will be responsible for all damages resulting from Supplier's failure to make timely or conforming deliveries of goods, including, but not limited to, costs True Velocity incurs for the correction of goods with quality problems and costs True Velocity incurs in connection with True Velocity's manufacturing and/or assembly line downtime. If Supplier's delivery of the goods or services is not made in the quantities and at the times specified herein, True Velocity reserves the right without liability and in addition to any other rights and remedies at law, contract or at equity, to cancel the purchase order and to procure substitute goods or services and charge Supplier with any loss incurred including lost profits and special damages. True Velocity will have the right to reject any goods or services which are tendered by Supplier in advance of the date scheduled for delivery, to accept early delivery of goods or services and defer payment until after the scheduled delivery date or to accept early delivery of goods and place such goods in storage at Supplier's expense until the scheduled delivery date. True Velocity may return any over shipments to Supplier at Supplier's risk and expense.

Supplier will deliver in accordance with the delivery date(s) specified in this purchase order or, if a delivery date or dates are not specified, then only as authorized in shipment releases issued by True Velocity. Supplier will treat True Velocity as a preferred customer and, as such, True Velocity schedules are to be given priority. Supplier will promptly notify True Velocity in writing of any potential or anticipated delivery delays or supply interruptions and Supplier will arrange, at True Velocity's option and at locations acceptable to True Velocity, for advance deliveries or warehousing of goods.

- 4. FORCE MAJEURE:** Neither Party will be considered in default of performance under this purchase order or any agreement to the extent that performance of such obligation is delayed or prevented by fire, flood, earthquake or natural disasters, riot, war, terrorism, civil strife, pandemics, epidemics or other public health emergencies, governmental regulations, or any other event beyond a Party's reasonable control and occurs without the applicable Party's fault or negligence (a "Force Majeure Event"). Material shortages or other supply chain issues are not considered a Force Majeure Event. As soon as possible, but not later than one (1) day after the determination that a Force Majeure Event will cause a delay in the supply of goods or services, Supplier will provide written notice to True Velocity describing any anticipated delays in its performance due to the Force Majeure Event and advising True Velocity of the anticipated duration of the delay, actions Supplier is taking to mitigate the delay, and the time that the delay will be cured. During the delay or failure to perform by Supplier, True Velocity may at its option (i) purchase goods and/or services from other sources and reduce its releases or quantities set forth in the purchase order to Supplier by such quantities, without liability to Supplier; (ii) require Supplier to deliver to True Velocity all or any portion of the finished goods and/or services, work-in-process and/or parts and materials produced or acquired for work under the purchase order; or (iii) require Supplier to provide goods and/or services of equal quality from other sources in quantities and at a time requested by True Velocity and at the prices set forth in the purchase order. If, upon the request of True Velocity, Supplier fails to provide adequate assurance that any delay will not exceed thirty (30) days, or if any delay lasts longer than thirty (30) days, True Velocity may terminate any purchase order, release, or agreement, in whole or in part, without

liability and Supplier will reimburse True Velocity for costs associated with the termination. Supplier will use all diligent efforts to ensure that the effects of any such Force Majeure Event are minimized and, as promptly as possible, resume full performance. If Supplier's delay or default is caused by a delay or default of a subcontractor or sub-supplier, such delay or default will be excused only if it arose out of a Force Majeure Event and was beyond the control of both Supplier and the subcontractor or sub-supplier and without the fault or negligence of either, and the goods and/or services were not obtainable from other sources in sufficient time to meet the required delivery or performance schedule. True Velocity will not be liable for failure to accept any part of the goods and/or services purchased hereunder if such failure is the result of any cause beyond the control of True Velocity including without limitation, fires, floods, acts of God, strikes, differences with employees, casualties, delays in transportation, inability to obtain necessary materials, utility services for machinery, or total or partial shutdown of True Velocity's facilities for any cause.

- 5. CHANGES:** True Velocity reserves the right at any time prior to any of the delivery dates set forth in this purchase order by written notice to Supplier to make changes to the drawings, designs, or specifications of the goods and/or services ordered, the method of packaging and shipping, the time, place or method of delivery, the quantity of goods ordered, or the work or services covered hereby. If any such changes affect Supplier's cost and/or delivery schedule, Supplier will notify True Velocity immediately, and, in the case of an increase in Supplier's cost, within twenty (20) days of such notice Supplier will submit a detailed cost break-down comparing original requirements and costs to the changed requirements and costs. The Parties will then discuss an equitable adjustment in purchase order price, delivery schedule, or both; however, no adjustment will be binding on True Velocity unless evidenced by one of the following: a new purchase order, a change notice, or a revision to this purchase order signed by an authorized representative of True Velocity. Nothing in this Section 5 shall excuse Supplier from immediately proceeding with this purchase order as changed.
- 6. REJECTION/REVOCATION:** Payment for any goods and/or services under this purchase order shall not constitute acceptance thereof, and True Velocity reserves the right to inspect all goods and/or services purchased hereunder at True Velocity's discretion and at True Velocity's option and to reject nonconforming goods and/or services or revoke acceptance of nonconforming goods and/or services. At True Velocity's option and at Supplier's risk and expense, True Velocity may return nonconforming goods to Supplier, require Supplier to grant a full refund or credit to True Velocity for nonconforming goods and/or services, hold nonconforming goods for disposition by Supplier, require Supplier to reperform the work or rework nonconforming goods and/or services to correct nonconformities. Unless otherwise agreed, replacement of any nonconforming or defective good will be accomplished by Supplier within 24 hours of Supplier's receipt of notification of the nonconformance or defect, and re-performance of any nonconforming or defective service will be accomplished promptly.

In the event of multiple nonconforming goods and/or services, Supplier will, within twenty-four (24) hours from notice from True Velocity, submit a written corrective action report to True Velocity. Such report shall identify the root cause of the nonconformance, identify the affected goods and/or services and communicate a corrective action plan for True Velocity's review and approval.

Acceptance of any part of the goods and/or services ordered hereunder shall not bind True Velocity to accept other parts of the goods and/or services, including any future shipments, or waive its right to revoke acceptance of goods previously delivered or services previously performed.

- 7. SUPPLIER'S WARRANTIES:** Supplier warrants that all goods and/or services provided, whether by Supplier or its subcontractors or sub-suppliers, will: (i) be new and of merchantable quality; (ii) be free from all defects in design, workmanship, material and title, and Supplier will cause any lien or encumbrance asserted to be discharged, at its sole cost and expense, within 15 calendar days of its assertion (provided such liens do not arise out of True Velocity's failure to pay amounts not in dispute under the purchase order); (iii) be provided in strict accordance with all requirements, regulations, codes, instructions, standards, drawings, design, specifications and other requirements approved or provided by True Velocity; and (iv) be provided/performed in a competent and professional manner in accordance with the highest standards and best practices that apply in Supplier's industry. Supplier further warrants that the goods and/or services provided, and any deliverables created during the performance of the services do not infringe any intellectual property right of a third party and are not subject to any license or any other obligations or conditions that would affect True Velocity's use or resale thereof. Supplier represents and warrants that Supplier has the legal right and power to assign to True Velocity and its affiliates the ownership of any such deliverables without violating any rights of any third party and Supplier hereby assigns ownership of all intellectual property or other proprietary rights in and to any such deliverables to True Velocity and its affiliates. Additionally, Supplier warrants that, to the best of Supplier's knowledge, any goods or deliverables provided by or on behalf of Supplier that includes software, firmware or any other computer code of any nature does not contain: (i) any viruses, malware, spyware, keylogger, or ransomware; or (ii) anything that would enable Supplier or a third party to access, view or control any part of True Velocity's information technology systems or Information stored therein.

Supplier agrees that these warranties will survive acceptance of the goods and/or services. The warranties stated in this Section 7 will also apply to any repaired or replaced goods or reperfomed services and, in all cases, are hereby extended to, and shall inure to the benefit of, True Velocity and True Velocity's affiliates, subsidiaries, successors, assigns, and direct and indirect customers to whom the goods and services provided hereunder may be sold or transferred (jointly and severally "True Velocity Entities").

In the event of breach of warranty, True Velocity will be entitled to all rights and remedies available at law, contract or at equity, including but not limited to, at True Velocity's option and at no additional cost to True Velocity: (i) credit, (ii) replacement or repair of defective goods, (iii) reperformance of services; (iv) recoupment of any costs and expenses of removal of the goods from any component, assembly or system; (v) reinstallation of non-defective goods, (vi) recoupment of any other costs or expenses for return of the goods; and (vii) recoupment of any other costs, expenses, or losses caused by or related to the defective goods or services. Supplier will also reimburse True Velocity for any incidental and consequential damages caused by such nonconforming goods and/or services including, but not limited to costs, expenses, and losses incurred by True Velocity: (a) in inspecting, sorting, repairing, or replacing such goods or services.

(b) resulting from any production interruptions; (c) conducting any recall campaigns or other corrective actions; and (d) claims for personal injury or property damage.

8. TRUE VELOCITY'S PROPERTY: Unless otherwise expressly provided in this purchase order, all Special Property (as defined below in this paragraph), and all tangible and intangible property furnished to Supplier by True Velocity or based on or derived from True Velocity's confidential or otherwise proprietary information, or produced or purchased by Supplier at True Velocity's expense, for use in Supplier's performance hereunder, and any replacement thereof, is and shall remain the exclusive property of True Velocity. For purposes of this purchase order, "Special Property" includes without limitation, dies, fixtures, molds, patterns, drawings, gauges, test equipment, information, or similar items used in Supplier's performance of this purchase order that are especially acquired for Supplier's performance hereunder or of such specialized nature that absent substantial alteration, their use is limited to the production of the goods or the rendering of the services referenced in this purchase order. Absent express agreement to the contrary, the amounts charged by Supplier pursuant to this purchase order will include payment for all Special Property. Hereinafter Special Property and all property furnished to Supplier by True Velocity are collectively referred to as "True Velocity's Property." Supplier will not sell, encumber, transfer, assign, dispose of, or modify True Velocity's Property and will not use True Velocity's Property for any purpose other than in the performance of this purchase order without True Velocity's prior written consent.

At all times while True Velocity's Property is in Supplier's custody or control, True Velocity's Property will be held at Supplier's risk and will be fully insured at Supplier's expense at replacement cost payable to True Velocity, and Supplier will provide routine maintenance at its expense.

Supplier agrees that True Velocity's Property will remain separate, and a label will be affixed stating it is True Velocity's Property and will not become a fixture attached to realty. Supplier will allow True Velocity's representative to inspect True Velocity's Property at any time upon reasonable notice. Supplier hereby authorizes True Velocity to file a form UCC-1 financing statement or its equivalent to enable True Velocity to make its ownership rights in True Velocity's Property of public record. At any time upon the request of True Velocity and in accordance with True Velocity's instructions, Supplier will prepare for shipment, package and deliver True Velocity's Property in good condition and at Supplier's cost FCA Supplier's business location (INCOTERMS 2020).

9. INSURANCE: Supplier represents that it has and will maintain the following types and amounts of insurance coverage and agrees to furnish certificates of insurance showing that Supplier has insurance coverage in the following minimum amounts:

- Workers Compensation – Statutory limits for the state(s) in which the work will be performed.
- General/Products Liability – \$1,000,000 per occurrence with an Umbrella Liability – minimum \$5,000,000
- Automobile Liability – \$1,000,000 (per any one accident) – Required only when Supplier's vehicle will enter any of True Velocity's premises or for the provision of transportation services; and

Said certificates of insurance will set forth the amount of coverage, the number of the policy and the date of expiration. Upon True Velocity's request, Supplier will name True Velocity or the True Velocity Entities as an additional insured on its policies. If Supplier is a self-insurer for workers compensation purposes, Supplier will provide True Velocity with a copy of the self-insured certificate issued by the state(s) where work will be performed. Compliance by Supplier with the insurance requirements stated in this Section 9 will not in any way affect Supplier's duty to indemnify True Velocity under Section 10 herein.

10. INDEMNIFICATION: Supplier agrees to indemnify, defend, and hold True Velocity Entities, and their respective directors, officers, employees, and agents (together "Indemnitees") harmless from and against any and all losses, liabilities, damages, claims, awards, demands, judgments, settlements, fines, suits, actions, proceedings, subrogation claims, costs and expenses, including court costs and attorney's fees, whether arising out of contract, tort strict liability, warranty, or otherwise, (collectively "Damages") incurred in connection with: (i) the design, manufacture, sale or use of the goods and/or services; (ii) goods delivered or services or labor performed pursuant to this purchase order; (iii) performance or failure to perform its obligations under this purchase order; or (iv) Supplier's failure to comply with applicable laws, orders, rules, regulations, codes, directives, ordinances and conventions ("Laws") or applicable standards.

If Supplier's employees, subcontractors, or sub-suppliers perform any work on the premises of any True Velocity Entity or utilize any of True Velocity's Property, whether on or off the premises of any True Velocity Entity, Supplier will indemnify and hold harmless True Velocity Entities and their respective officers, directors, employees, and agents from and against any Damages to True Velocity's Property or for injuries (including death) to any person, including without limitation any employees of True Velocity Entities, arising from or in connection with Supplier's performance of work or use of True Velocity's Property. Supplier's obligations pursuant to this Section 10 shall survive the completion of performance and the expiration or termination of this purchase order.

Supplier further agrees, upon receipt of notification, to promptly assume full responsibility for the defense of any claims brought against the Indemnitees, and in such event, Supplier will not consummate any settlement without True Velocity's prior written consent. The failure of True Velocity to provide Supplier with prompt notice does not relieve Supplier of its obligations under this Section 10 unless such failure to promptly notify Supplier causes irreparable harm. True Velocity has the right to participate in the defense of any claim through counsel of its own choosing.

Supplier agrees upon receipt of notification, to promptly assume full responsibility for defending any claim, suit, action, or proceeding which may be brought against the True Velocity Entities or any of the Indemnitees which alleges that any goods and/or services provided

by Supplier pursuant to this purchase order infringe any patent, trademark, copyright, trade secret, or other proprietary right owned by a third party. Supplier further agrees to indemnify True Velocity against all expenses, losses, royalties, lost profits, and damages, including court cost and attorney's fees, resulting from such claim, suit, action, or proceeding, including any settlement, decree, or judgment entered therein. True Velocity may at its option, be represented and actively participate through its own counsel in any such claim, suit, action or proceeding. Supplier's obligations pursuant to this Section 10 shall survive the completion of performance and expiration or termination of this purchase order. Notwithstanding the foregoing, Supplier will have no obligation to defend or indemnify True Velocity with respect to any claim which is directed to items delivered pursuant to this purchase order, the designs for which were specified entirely by True Velocity.

11. AUDITS, INVESTIGATIONS: Supplier agrees that its books, records, and accounts will accurately and fairly reflect all transactions of Supplier and shall be maintained in accordance with Laws and Generally Accepted Accounting Principles. True Velocity will have the right to perform audits and inspections of Supplier's facilities, records, books, costs, and other items related to the terms of this purchase order. Supplier will, upon reasonable request and during normal business hours, make available for examination and reproduction by True Velocity or its authorized agents, such facilities, costs, books, records, and other items of Supplier as may be necessary to verify compliance with all relevant specifications, drawings, designs, Laws, and standards to enable True Velocity to comply with its customer obligations, and to perform such audit. Audits may be performed while this purchase order is in effect or within one year after its termination. Further, should Supplier or Supplier's employees, sub-contractors or sub-suppliers in any way be involved in any investigation being performed by or on behalf of True Velocity, such as investigations in respond to government inquiries or alleged compliance failures, Supplier and Supplier's employees, sub-contractors and sub-suppliers shall cooperate with True Velocity in such investigation.

12. CONFIDENTIAL INFORMATION, PROPRIETARY RIGHTS: All information (including but not limited to, trade secrets, drawings, plans, designs, specifications, manufacturing processes or techniques, research and development data, inventions, know-how, processes, procedures, costs, suppliers, methods, sales, customer information and lists, financial data, business plans, and information relating to identified or identifiable individuals) relating to this purchase order or to the goods and/or services to be provided hereunder which has been disclosed to Supplier by or on behalf of True Velocity (whether such information is owned by True Velocity or by any other entity with whom True Velocity is doing business) or which will be developed in the course of Supplier's performance under this purchase order specifically for True Velocity (collectively referred to as "Information"), has been and will be received and held by Supplier in confidence. Supplier will not disclose the Information to others and will not use the Information for any purpose other than for the direct benefit of True Velocity. Supplier will acquire no right in or to such Information. Supplier will promptly return the Information to True Velocity and discontinue all use of the Information upon expiration or termination of this purchase order or at True Velocity's written request. Supplier will not disclose to True Velocity or use in the course and scope of Supplier's performance hereunder any information of other entities that Supplier does not have a lawful right to use or disclose. Supplier will limit access to the Information to only those employees of Supplier having a need to know such Information, and all such employees of Supplier having access to Information will be made aware of and agree to the obligations under this Section 12.

Any invention, development, or copyrightable subject matter conceived, first reduced to writing, first reduced to practice, or made by Supplier, either solely or with others, in the course of Supplier's performance under this purchase order is hereby assigned to True Velocity if such invention or development or copyrightable subject matter (i) results from services for True Velocity, or (ii) is made using True Velocity's time, materials, facilities, or Information. All such copyrightable subject matter will be a work made for hire. Supplier will disclose such inventions, developments, or copyrightable subject matter promptly to True Velocity and will cooperate with True Velocity during and after the term of this purchase order in filing and prosecuting any patent or copyright applications thereon and in evidencing ownership thereof by True Velocity. Supplier agrees that the payments pursuant to this purchase order are full and complete compensation for all obligations assumed by Supplier hereunder, and the assignment of inventions, developments, or copyrightable subject matter does not entitle Supplier to any additional compensation. The obligations of this Section 12 shall survive the completion of performance and expiration or termination of this purchase order.

13. REMEDIES: Supplier acknowledges that any disclosure or use of any confidential information by Supplier in violation of this purchase order would cause irreparable harm to True Velocity that money damages could not adequately compensate True Velocity for. In the event of a breach or threatened breach of confidentiality by Supplier, True Velocity will be entitled to temporary and permanent injunctive relief, including but not limited to specific performance, without the necessity of proving actual damages or posting a bond or other security, in addition to all other remedies available to True Velocity in an action at law. True Velocity's remedies described herein will be cumulative and in addition to any remedies allowed by law or in equity. True Velocity may, at any time, debit, deduct, or set-off money owed, due, or to become due to Supplier from True Velocity under this purchase order as recovery for any claims that True Velocity has or may have against Supplier arising out of this purchase order or any other agreement between the Parties.

14. SECURITY: Supplier agrees to: (i) develop, implement, maintain, monitor, and update a reasonable, written data and cyber security program incorporating administrative, technical, organizational and physical safeguards, security measures, and security awareness, and (ii) install and implement security hardware and software, in each case, designed to (A) protect the security, availability, and integrity of Supplier's network, systems, and operations; the goods and services; and True Velocity Information from loss or unauthorized alteration, disclosure, control, access and use; (B) guard against security incidents; and (C) satisfy requirements as set forth in a generally accepted cybersecurity framework, such as ISO/IEC 27001 or NIST 800-53 to establish a resilient control environment or equivalent level of security protection appropriate for the information involved and the then current security solutions. Supplier shall notify True Velocity immediately of any actual or reasonably suspected breach to Supplier's security that could potentially result in, or has resulted in: (i) the loss or unauthorized alteration, disclosure, control, access or use of Information; or (ii) an unauthorized access to True Velocity's information technology systems, operational technology systems, networks, internet-enabled applications or devices or the data contained within any such systems. Supplier notice to True Velocity shall provide a full description of the breach, and Supplier shall (i) promptly take all steps reasonably necessary to investigate, mitigate and/or resolve the breach; (ii) share with True Velocity any information that subsequently becomes available to it which may assist True Velocity in investigating, mitigating and/or preventing any effects of the breach on the True Velocity information technology systems or Information; (iii) obtain

True Velocity's consent prior to submitting or sending to third parties any communications, filings, notices, press releases, or any other reports relating to the involvement of True Velocity information technology systems or Information in the breach; and (v) provide any additional information, take any other additional steps or remedial measures, at Supplier's sole cost, as determined to be reasonably warranted by True Velocity. True Velocity shall have the right to audit Supplier or, in True Velocity's sole discretion, to request Supplier to provide to True Velocity written proof of Supplier's compliance with this Section 14.

- 15. TERMINATION:** True Velocity may, upon notice to Supplier, immediately terminate all or any part of any purchase order and agreement (if applicable) if Supplier (i) repudiates, breaches, or threatens to breach any of the terms of the purchase order or agreement; (ii) fails to perform or deliver or threatens not to perform or deliver the goods and/or services in accordance with the purchase order or agreement; (iii) fails to meet True Velocity's quality requirements and fails to correct the failure immediately following Supplier's receipt of written notice from True Velocity identifying the failure; (iv) enters or offers to enter into a merger, spin off, sale or exchange of stock or other equity interests that would result in a change in control of Supplier, and/or a transaction that includes a sale of all or a substantial portion of the assets used for the production of the good and/or services pursuant to the purchase order, without the prior written consent of an authorized representative of True Velocity; (v) fails to remain competitive with respect to quality, technology, delivery, service, or pricing; or (vi) fails to provide True Velocity with adequate assurance of Supplier's ability to timely perform any of Supplier's obligations under the purchase order.

True Velocity may terminate any purchase order or agreement, if applicable, and Supplier's performance hereunder immediately without incurring liability to Supplier upon: (i) Supplier's insolvency; (ii) filing of a voluntary petition in bankruptcy by Supplier; (iii) filing of an involuntary petition in bankruptcy against Supplier; (iv) appointment of a receiver or trustee for Supplier; or (v) execution or assignment for the benefit of creditors by Supplier; or (vi) any comparable event.

True Velocity further reserves the right to terminate Supplier's performance under this purchase order and any applicable agreement in whole or in part at any time without cause by giving written notice, whereupon Supplier will cease performance immediately and will take such actions as are necessary to protect property in Supplier's possession in which True Velocity has an interest. Supplier will promptly advise True Velocity of any items acquired in anticipation of completion of its performance under this purchase order. Supplier will comply with True Velocity's instructions regarding the disposition of such items. Supplier will submit all claims resulting from such termination within thirty (30) days of its receipt of such notice. True Velocity will have the right to inspect Supplier's records, facilities, work, and materials relating to its performance or anticipated performance of the purchase order to establish the value of Supplier's claims. True Velocity will pay Supplier, without duplication, the purchase order price for finished work accepted by True Velocity and the cost to Supplier of work in progress and raw materials allocable to the terminated work based on True Velocity's audit of Supplier's records, using generally accepted accounting principles; however, the amount due to Supplier will be reduced by the following: (i) the market value or cost (whichever is higher) of any items used or disposed of by Supplier without True Velocity's consent; (ii) the agreed value of any items used or disposed of by Supplier with True Velocity's consent; and (iii) the cost of any defective or destroyed materials.

True Velocity will make no payments for finished work, raw material, or other items fabricated or procured by Supplier in excess of the lesser of (i) that ordered; (ii) that for which True Velocity has issued shipment releases as of the date of the notice of termination released; or (iii) thirty (30) days of supply.

Notwithstanding the foregoing, payments under this Section 15 will not exceed the price for the entire performance specified in this purchase order less payments that would otherwise be made to complete performance hereunder. Payment under this Section 15 will constitute True Velocity's sole and exclusive liability in the event True Velocity elects to terminate this purchase order without cause by notice.

- 16. COMPLIANCE WITH LAWS:** Supplier warrants that the goods and/or services supplied hereunder will have been produced or provided in compliance with, and Supplier will comply with, all applicable Laws, including without limitation, those that relate to equal employment opportunity, wages, hours and conditions of employment, discrimination, occupational health/safety, motor vehicle safety, environmental matters, data privacy and/or protection, and anti-bribery, including without limitation, the U.S. Foreign Corrupt Practices Act, U.S. Anti-Kickback Act, and the U.K. Bribery Act. At True Velocity's request, Supplier will certify in writing its compliance with the Laws. Supplier will indemnify and hold True Velocity harmless from and against any and all Damages arising from or relating to Supplier's, its employee's, agent's, subcontractor's or sub-supplier's violation of Sections 16, 17 or 18. Supplier agrees that, in addition to True Velocity's termination rights set forth herein, True Velocity may immediately terminate all agreements and/or purchase orders in the event of a violation of Sections 16, 17 or 18 by Supplier. True Velocity will not be required to make any payments to Supplier that might otherwise be due if such payments are related to a transaction in which Supplier has violated Sections 16, 17 or 18. Supplier will, unless prohibited by any applicable Laws, reimburse True Velocity for any fines or penalties levied against True Velocity in connection with such violation.

No good supplied hereunder shall contain any mineral that directly or indirectly finances any armed group that has been identified as a perpetrator of human rights abuses, including without limitation those defined as conflict minerals in the rules issued under Section 13(p) of the Securities Exchange Act of 1934. Supplier must prohibit any form of forced labor, including forced or indentured child labor in the production and supply chain relating to the goods sold to True Velocity.

Neither Supplier nor any of its subsidiaries or, to the best of its knowledge, any officer, director, manager, agent, or employee of Supplier or any of its subsidiaries is a Person who (a) is the target of any laws administered by the United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") or any other Governmental Entity imposing economic sanctions or trade embargoes ("Economic Sanctions Laws"), or (b) is located, organized, or resident in a country or territory that is, or whose government is, the target of sanctions imposed by OFAC or any other Governmental Entity. Supplier shall promptly notify True Velocity if it or any of its subsidiaries, or any of its or its subsidiaries' officers, directors, managers, agents, or employees becomes the target of any Economic Sanctions Laws, or the country or territory where any of them is located, organized, or resident becomes the target of

sanctions imposed by OFAC or any other Governmental Entity.

No good supplied hereunder shall contain any iron or steel that originated in Russia or was exported from Russia, or otherwise in any manner contravenes Article 3g (1) (d) of Regulation (EU) No 833/2014 listed in Annex XVII (List of iron and steel products referred to in Article 3g); or the UK Russia (Sanctions) (EU Exit) Regulations 2019, as amended, Chapter 4CA. Supplier further agrees to maintain proof of the country of origin of the iron and steel commodities and intermediate products used for processing goods supplied within Harmonized Tariff Schedule Chapter 72 and 73 hereunder, and to provide such documentation to True Velocity promptly upon its request.

The goods and/or services may be subject to certain export, import or foreign trade control laws and regulations including those of the United States, such as the U.S. Commerce Department's Export Administration Regulations and the U.S. Treasury Department's Office of Foreign Assets Control Regulations ("Export Laws"). Supplier agrees to comply with all applicable Export Laws and Arms Export Control Act, 22 U.S.C. 2751-2799, including the International Traffic in Arms Regulation (ITAR), 22 CFR 120-130, including the requirement for obtaining an export license or agreement, if applicable, and notify True Velocity of any licenses applicable to any goods and/or services. Supplier will prohibit exports, re-exports, transfer (in-country) or disclosure of U.S. origin technology or materials to countries subject to embargos, sanctions or designated as terrorist-supporting by the United States; including entities on the U.S. Treasury Department's list of Specially Designated Nationals and Blocked Persons, the U.S. Commerce Department's Denied Party list, or Entity List (see www.bis.doc.gov for information). Without limiting the foregoing, Supplier agrees that it will not transfer an export-controlled item, data, or service, to include transfer to foreign persons employed by or associated with, or under contract to Supplier or Supplier's lower-tier suppliers, without the authority of a U.S. Government export license, agreement, or applicable exemption or exception. If Supplier is engaged in the business of either exporting or manufacturing (whether exporting or not) defense articles or furnishing defense services, Supplier represents that it is registered with the Office of Defense Trade Controls, as required by the ITAR, and that it maintains an effective export/import compliance program in accordance with the ITAR. Supplier will immediately notify True Velocity in writing if Supplier or any of its subcontractors or sub-suppliers is (i) suspended, debarred, or proposed for suspension or debarment from doing business with the U.S. Government entity or agency, or (ii) listed or is proposed to be listed by the U.S. Government in any "denial orders," as a "blocked person," as a "specially designated national," or as a "specially designated terrorist" for U.S. export administration purposes (collectively, "Debarment"). Any such Debarment will constitute cause for True Velocity to cancel or terminate this purchase order and any other agreement for cause and without liability to True Velocity.

Supplier agrees to provide True Velocity with accurate and timely trade data including commodity classifications, country of manufacture, and international free trade agreement certifications for all goods and services, as applicable and at no additional cost or fee.

International Cargo Security Measures: Supplier agrees to use minimum security criteria requirements for its international shipments to True Velocity as outlined in the C-TPAT, and the Authorized Economic Operator security programs based on the WCO SAFE Framework of Standards:

<http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/safe-package/safe-framework-of-standards.pdf?la=en>

<https://www.cbp.gov/border-security/ports-entry/cargo-security/ctpat>

17. ANTI-CORRUPTION COMPLIANCE: Supplier warrants that:

(a) Supplier has not paid, offered, promised to pay, or authorized, and will not pay, offer, promise to pay, or authorize the payment directly or indirectly of any monies or anything of value (services, gifts, gratuities, kickbacks, or otherwise) for the purpose of obtaining or rewarding favorable treatment as a supplier to True Velocity.

(b) Supplier has not paid, offered, promised to pay, or authorized and will not pay, offer, promise to pay, or authorize the payment, directly or indirectly of any monies or anything of value to (1) any person or firm employed by or acting for or on behalf of True Velocity or any customer of True Velocity, whether private or governmental, or (2) any government official or employee or any political party or candidate for political office or a political party official, for the purpose of influencing any act or decision or inducing or rewarding any action in order to secure any improper advantage in the conduct of business.

(c) Supplier has not made, and will not make, any improper payments, directly or indirectly, including without limitation facilitation payments, bribes, or kickbacks.

(d) Supplier has established and will maintain an effective business ethics and compliance program and procedures to prevent corruption and ensure compliance with all applicable laws and regulations pertaining to corruption and bribery. Supplier will immediately disclose to True Velocity in writing all pertinent facts regarding any violation, or alleged violation, of the U.S. Foreign Corrupt Practices Act, U.S. Anti-Kickback Act, and U.K. Bribery Act and will cooperate with any investigations.

(e) If this purchase order is for goods and/or services for a U.S. Government contract or subcontract thereunder, Supplier further warrants that no monies or anything of value (services, gifts, gratuities, kickbacks, or otherwise) has been provided to any person or firm in connection therewith, directly or indirectly, whether or not for the purpose of obtaining or retaining business, or to secure an advantage in the conduct of business.

(f) Supplier will include this Section 17, or provisions of equivalent effect, in any lower tier subcontracts under this purchase order.

18. SUPPLIER CODE OF CONDUCT: Supplier will comply with the *True Velocity Supplier Code of Ethics and Business Conduct*, which is incorporated by reference here and available at www.tvammo.com/legal/suppliercode

19. ASSIGNMENT: The obligations of Supplier under this purchase order may not be assigned or subcontracted in whole or in part nor may any assignment of money due or to become due hereunder be made by Supplier without the prior written consent of True Velocity. Any prohibited assignment will be null and void for all purposes. A change in control of Supplier of all or substantially all of Supplier's assets, shall constitute an assignment hereunder. True Velocity may assign the purchase order, and/or any interest therein, to any third party without consent of Supplier.

20. GOVERNING LAW/JURISDICTION This purchase order will be governed by and construed under the laws of the State of Texas, without regard to principles of conflicts of law. The Parties consent to personal jurisdiction in the State of Texas for any claim arising out of or related to this Agreement. The sole and exclusive jurisdiction and venue for any claim arising out of or related to this Agreement will be state court located in Dallas, Texas, or the U.S. District Court for the Northern District of Texas. The Parties will not raise, and do hereby waive, any objections or defenses based on venue or *forum non conveniencie* with respect to such courts. The prevailing Party on any claim arising out of or relating to this purchase order will be entitled to recover all attorneys' fees and costs (including filing fees, travel, deposition costs, expert witness, and all litigation-related costs and expenses) actually incurred by that Party. The provisions of the United Nations Convention on Contracts for the International Sale of Goods are hereby excluded. Supplier agrees that any action related to an alleged breach by True Velocity of this purchase order shall be commenced within one (1) year of the date of the breach, without regard to the date the breach is discovered. Notwithstanding anything in this Section 20, the Parties shall have recourse to obtain injunctive relief as permitted by the laws of the relevant jurisdiction.

21. SUPPLIER'S CONTINUING OBLIGATION: Except as provided in Section 4, Supplier may not suspend performance for any reason, including in the event of any claim between the Parties arising out of, or in connection with, any purchase order. Supplier's obligation to provide True Velocity with a continuous, uninterrupted supply of goods and/or services in accordance with the terms of this purchase order will not be excused by such claim. If Supplier intends to suspend operations for maintenance of its facility, Supplier will give True Velocity at least 6 months' notice and will insulate True Velocity from any supply disruption by maintaining bridge inventory for the entire period of the suspension. In addition, Supplier will, at its expense, take all necessary actions to ensure the supply of goods and/or services to True Velocity for at least thirty (30) days during any anticipated labor disruption or resulting from the expiration of Supplier's labor contracts.

22. MISCELLANEOUS: True Velocity's failure to insist upon the performance of any term or condition of this purchase order or to exercise any right hereunder on one or more occasions shall not constitute a waiver or relinquishment of True Velocity's right to demand future performance of such term or condition or to exercise such right in the future. If any term or portion of this purchase order is held to be invalid or unenforceable under any law, such term or portion shall be deemed reformed or deleted, but only to the extent necessary to comply with such law and the remaining provisions of this purchase order shall remain in full force and effect.

The headings and/or titles used to describe sections or paragraphs hereof are included for convenience only and will not be deemed to limit, construe, affect or alter the meaning of or otherwise affect the interpretation of the contents of such sections or paragraphs.

The relationship between True Velocity and Supplier will be that of independent contracting parties. Nothing contained in this purchase order shall be construed as providing for the sharing of any costs, expenses, risks, or liabilities arising out of the other Party's activities related to this purchase order. Supplier will not in any manner represent that it or its employees or agents are employees or agents of True Velocity, and nothing contained in this purchase order shall be construed as authorizing Supplier to create or assume any obligation or liability in the name of True Velocity or subject True Velocity to any obligation or liability. This purchase order shall not constitute, create, give effect to or otherwise imply a joint venture, pooling arrangement, partnership, or formal business organization of any kind. Nothing herein shall be construed as providing for the sharing of profit or losses arising out of the efforts of either or both Parties.