

DWTSAR LLC PURCHASE ORDER TERMS AND CONDITIONS

Company: DWTSAR LLC dba Atlas Ship Repair, DLP Repair

Address: P.O. Box 120340, Chula Vista, CA 91912-0340

Email: asr-ap@atdgrp.com , dlp-ap@atdgrp.com (as specified on the Purchase Order)

1. Definitions

Buyer – DWTSAR LLC, including its divisions and subsidiaries (Atlas Ship Repair, and DLP Repair).

Seller/Vendor – The company or individual providing goods or services under this Purchase Order.

Order – This Purchase Order and all referenced or attached documents.

Products – All materials, goods, parts, assemblies, or equipment furnished under this Order.

Services – All labor, work, and related deliverables performed by Seller under this Order.

2. Acceptance and Entire Agreement

This Purchase Order constitutes an offer from Buyer to Seller and becomes binding upon Seller's:

(a) written acknowledgment, (b) commencement of performance, or (c) acceptance of payment.

Acceptance is expressly limited to these Terms and Conditions. Any additional or conflicting terms proposed by Seller are rejected unless agreed to in writing by Buyer's authorized representative.

This Order, including these Terms and Conditions, constitutes the entire agreement between the Parties and supersedes all prior communications or quotations not expressly incorporated herein.

3. Delivery, Performance, and Risk of Loss

Delivery and performance shall conform to the schedule and specifications identified in this Order.

Seller shall notify Buyer immediately of any anticipated delay, stating the cause and proposed corrective action. Buyer reserves the right to terminate or obtain the goods or services elsewhere if delivery or completion is delayed without Buyer's approval. Buyer retains the right to withhold acceptance of and payment for nonconforming or unsafe work. Payment for work performed does not constitute acceptance. Risk of loss remains with Seller until Products are received and accepted by Buyer at the designated delivery point.

4. Packing and Shipment

All shipments shall be properly packaged to prevent damage, loss, or contamination. Packaging and bills of lading shall reference this Purchase Order number. Seller is responsible for all damages due to improper packing or handling.

5. Inspection and Acceptance

All Products and Services are subject to inspection and acceptance by Buyer and, when applicable, the U.S. Government. Buyer may reject or require correction of nonconforming items at Seller's expense. Acceptance does not relieve Seller of warranty or latent defect liability. Buyer's approval of drawings or procedures does not waive Seller's obligations. Acceptance occurs only upon written acceptance or use without objection. Use without objection shall not be deemed acceptance where

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defects, nonconformance, or safety issues are latent or later discovered. Buyer's rights survive inspection, testing and payment.

6. Invoicing and Payment

Invoices must reference the Purchase Order number and be sent to asr-ap@atdgrp.com or dlp-ap@atdgrp.com (as specified on the Purchase Order). All invoices for subcontractors must be submitted with a complete Certificate of Completion (*Form QF-09*).

Payment terms are Net 45 days from receipt of a proper invoice and acceptance of goods or services. Buyer may offset any amounts owed by Seller to Buyer. Late or incorrect invoices may delay payment.

Buyer expresses the right to withhold payment for defective work, safety violations, noncompliance, and pending claims or investigations.

7. Changes

Buyer may, at any time by written notice, make changes in drawings, specifications, quantities, delivery schedules, or methods of shipment. If such changes cause an increase or decrease in cost or schedule, Seller shall notify Buyer within 15 days and request an equitable adjustment. Failure to notify within this period constitutes waiver of claim.

8. Warranty

Seller warrants that all Products and Services will: (a) Conform to the requirements of this Order, (b) Be free from defects in material and workmanship, (c) Be new and fit for the purpose intended. The warranty period shall be 12 months from acceptance, unless otherwise stated. Seller shall promptly correct or replace defective items at no cost to Buyer and re-perform services as required to meet the requirements specified in the purchase order. Warranty is applicable regardless of inspection or acceptance.

9. Compliance with Laws and Standards

Seller shall comply with all applicable federal, state, and local laws, including OSHA, EPA, NAVSEA Standard Items, FAR/DFAR clauses, Equal Employment Opportunity, and Buy American regulations.

10. Indemnification

Seller shall to the fullest extent permitted by law defend, indemnify, and hold harmless Buyer, its affiliates, customers, and employees from and against all claims, damages, losses, and expenses (including attorney's fees) arising out of or related to Seller's performance, negligence, or noncompliance with this Order. Indemnity includes environmental claims, safety violations, IP infringement and wage and employment claims involving Seller personnel. Indemnity survives termination of the purchase order.

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11. Insurance

Seller shall maintain insurance with reputable carriers as follows:

- Commercial General Liability: \$1,000,000 per occurrence / \$2,000,000 aggregate
- Umbrella Insurance: \$4,000,000
- Automobile Liability: \$1,000,000 combined single limit
- Workers' Compensation and Employer's Liability per statutory limits
- Marine and Pollution Liability (if applicable to scope of work)
- Waiver of Subrogation (for suppliers performing on site work)

Certificates of insurance naming "DWTSAR LLC and its subsidiaries as Additional Insured" must be provided prior to work start. Coverage shall be primary and non-contributory to any insurance carried by Buyer. Seller shall provide thirty (30) days' prior written notice of cancellation or material change. Insurance Requirements shall be flowed down to any subcontractors.

12. Proprietary Information

All drawings, specifications, and data furnished by Buyer remain Buyer's property and shall be held confidential. Seller shall not disclose or use such information for any purpose other than performing this Order.

13. Assignment and Subcontracting

Seller shall not assign or subcontract this Order or any portion thereof without prior written consent of Buyer. Any unauthorized assignment is void and grounds for termination. Seller remains fully responsible for subcontractors. Seller shall include, at a minimum, the following flow-downs:

- Insurance
- Indemnification
- Ethics
- Government Clauses (when applicable)

14. Termination

Buyer may terminate this Order: (a) For convenience, with written notice, paying only for completed and accepted work; or (b) For default, if Seller fails to perform, deliver, or comply with requirements. In either case, Seller shall promptly cease work and deliver all materials paid for by Buyer.

15. Disputes and Governing Law

This Order shall be governed by the laws of the State of California, excluding conflict-of-law rules. Any dispute not resolved through mutual negotiation shall be submitted to a court of competent jurisdiction in San Diego County, CA. THE PARTIES KNOWINGLY AND VOLUNTARILY WAIVE ANY RIGHT TO A TRIAL BY JURY in any action arising out of or relating to this Order. Attorney fees shall be the responsibility of the prevailing party.

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16. Force Majeure

Neither party shall be liable for delays or failures due to causes beyond reasonable control, including acts of God, war, fire, flood, or government action, provided the affected party promptly notifies the other in writing.

17. Flow-Down Requirements

When this Order supports a U.S. Government contract, applicable FAR and DFARS clauses are incorporated by reference and flow down to Seller. Seller shall include the substance of these provisions in all subcontracts.

18. Non-Waiver

Failure of Buyer to enforce any provision shall not constitute a waiver of future enforcement of that or any other provision.

19. Severability

If any provision of this Order is held invalid or unenforceable, the remaining provisions shall remain in full force and effect.

20. Ethical Conduct

Seller shall maintain the highest standards of integrity and business ethics, including full compliance with anti-bribery, anti-kickback, and conflict-of-interest regulations. Any violation may result in termination of this Order.

21. Independent Contractor Status

Seller is an independent contractor, and nothing contained in this Order shall be deemed to create any partnership, joint venture, agency, or employment relationship between Buyer and Seller or Seller's employees, agents, or subcontractors.

Seller shall be solely responsible for the payment of all wages, salaries, payroll taxes, withholdings, insurance premiums, benefits, and other compensation or obligations relating to Seller's personnel. Seller's personnel shall not be entitled to any benefits provided by Buyer to its employees.

Seller and Seller's personnel shall have no authority to bind Buyer contractually or otherwise, nor to represent that they have such authority.

22. Safety and Worksite Rules

Seller shall comply with all Buyer safety rules, policies, procedures, and site-specific requirements, including but not limited to OSHA regulations, NAVSEA Standard Items, shipyard rules, and any customer or government safety requirements applicable to the worksite.

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Seller shall be solely responsible for the safety, supervision, and conduct of its employees, agents, and subcontractors while performing work under this Order. Buyer reserves the right to require the immediate removal from the worksite of any Seller personnel who violate safety rules, engage in unsafe behavior, or fail to meet site access or conduct requirements.

Seller shall be fully liable for any fines, penalties, delays, damages, or costs arising out of safety violations or unsafe acts or omissions by Seller or Seller's personnel.

23. Hazardous Materials and Environmental Compliance

Seller shall comply with all applicable federal, state, and local environmental laws and regulations, including those governing the handling, storage, transportation, use, and disposal of hazardous materials and wastes.

Seller shall immediately report to Buyer any spill, release, or environmental incident associated with Seller's performance under this Order and shall take all necessary actions to contain, clean up, and remediate such incident in accordance with applicable regulations and Buyer instructions.

Seller shall be solely responsible for all costs associated with cleanup, remediation, reporting, fines, and corrective actions resulting from Seller's handling of hazardous materials. Seller shall defend, indemnify, and hold harmless Buyer from and against any environmental claims, liabilities, penalties, or damages arising out of or related to Seller's performance under this Order.