ZULU PODS

ZULU PODS STANDARD TERMS AND CONDITIONS

This document sets forth the Standard Terms and Conditions that shall govern the Agreement between Zulu Pods and its Supplier, hereinafter referred to as "Party B."

I. INTELLECTUAL PROPERTY (IP)

a. **Ownership of Pre-Existing IP.** Each party shall retain all right, title, and interest in and to any pre-existing intellectual property ("Background IP") that it owned or licensed prior to the commencement of this Agreement.

b. **Ownership of Newly Created IP.** Zulu Pods shall retain all right, title, and interest in and to its own designs, manufacturing processes, newly created intellectual property, and any improvements or derivatives thereof. Party B shall retain all right, title, and interest in and to its own designs, drawings, and intellectual property provided to Zulu Pods. Neither party acquires any right or license in the other party's intellectual property by implication, estoppel, or otherwise, except as strictly necessary to fulfill the applicable Quote, Purchase Order, or negotiated agreement. Work Product and joint IP may be subject to applicable Government Purpose Rights as provided in applicable laws and regulations, including but not limited to DFARS 252.227-7013 and DFARS 252.227-7014.

c. **Confidentiality.** Each party agrees to maintain the confidentiality of all confidential information disclosed by the other party during the course of this Agreement. Confidential information shall include, but not be limited to, technical data, trade secrets, business plans, and customer lists. Any and all pre-existing confidential agreements agreed upon between the Parties shall remain in effect.

d. **Infringement Indemnification.** Each party shall indemnify, defend, and hold harmless the other party from and against any and all claims, damages, liabilities, costs, and expenses (including reasonable attorneys' fees) arising out of or relating to any allegation that the indemnifying party's Background IP or any use thereof infringes or misappropriates any third-party intellectual property rights.

II. WARRANTIES AND LIABILITIES

a. **Warranties.** Party B warrants that all delivered services and products ("Products") provided to Zulu Pods under this Agreement shall:

i. Conform strictly to the specifications, drawings, and requirements set forth in the applicable Statement of Work or Purchase Order;
ii. Be free from defects in material and workmanship;
iii. Be merchantable and fit for their intended purpose; and
iv. Comply with all applicable federal, state, and local laws, regulations, and standard industry practices.

b. **Product Specifications and Compliance.** The Products shall be designed, manufactured, and tested in accordance with the specifications and drawings set forth in the applicable Statement of Work and shall comply with all applicable industry standards.

c. **Quality Assurance and Control.** Both Parties shall maintain a quality management system that complies with industry standards and ensure the Products shall meet all required applicable specifications and standards. Party B warrants it has an implemented Quality Management System (QMS) that meets the requirements of the AS9100 standard. In accordance with these standards, Party B shall:
    i. Use customer-designated or approved external providers, including process sources (e.g., special processes);
    ii. Flow down to external providers applicable requirements, including customer requirements;
    iii. Provide test specimens for design approval, inspection/verification, investigation, or auditing;
    iv. Retain documented information, including retention periods and disposition requirements; and
    v. Ensure that persons are aware of their contribution to product or service conformity, their contribution to product safety, and the importance of ethical behavior.

d. **Right of Access.** Zulu Pods, its customers, and regulatory authorities shall have the right of access to the applicable areas of facilities and to applicable documented information, at any level of the supply chain. Zulu Pods may review and approve

Party B's QMS and related processes, and Zulu Pods reserves the right to conduct on-site audits of Party B's facilities to ensure compliance with this Agreement and applicable industry standards. Party B's performance shall be measured against key metrics, including on-time delivery and non-conformity rates.

e. **Product Liability and Recall.** Party B shall be responsible for product liability claims arising out of or relating to the Products to the extent such claims are caused by Party B's nonconformance to specifications or manufacturing defects. In the event of a product recall caused by Party B's nonconformance, Party B shall, at its sole expense, promptly recall and replace or repair any defective Products and reimburse Zulu Pods for its reasonable direct recall costs.

f. **Counterfeit Products.** Party B ensures all delivered goods are genuine and sourced exclusively from Original Equipment Manufacturers (OEMs), Original Component Manufacturers (OCMs), or their authorized franchised distributors ("Authorized Channels"), free from false labeling or alterations. Party B shall not source goods from independent brokers or unauthorized independent distributors without prior written consent from Zulu Pods. Party B has the obligation to verify authenticity through documentation by providing certificates of authenticity upon request from Zulu Pods, and shall maintain processes for preventing counterfeits in its supply chain. In the event of suspect counterfeit products, Party B shall provide immediate written notification to Zulu Pods, and Party B will be held liable for all costs associated with the removal and replacement of counterfeit items.

g. **Foreign Object Debris Prevention.** Party B has procedures to prevent Foreign Object Debris from contaminating products and to conduct inspections to ensure compliance.

h. **Communication & Reporting.** Party B shall promptly notify Zulu Pods of issues including serious failures, malfunctions, defects, or potential non-conforming conditions. Advance notification is required for any changes to on-time delivery schedules.

i. **Limitations of Liability.** Except as specifically carved out herein, neither party shall be liable for indirect, incidental, special, consequential, or punitive damages. Exceptions: This limitation of liability, and any overall financial cap on liability,

shall not apply to damages arising from: (a) breach of Confidentiality; (b) IP infringement; (c) gross negligence or willful misconduct; (d) the delivery of counterfeit or unapproved parts ; or (e) product liability claims and associated recall/retrofit costs caused by Party B's nonconforming hardware.

j. **Indemnification.** Each party shall indemnify and hold the other harmless from and against any and all claims, damages, losses, liabilities, and expenses arising out of or in connection with any breach of this Agreement by such party.

III. MISCELLANEOUS.

a. **Payment Terms.** Net 30 days after the receipt of a correct invoice.

b. **Delivery Schedule & Penalties.** If Party B fails to deliver conforming goods by the confirmed PO delivery date, Party B shall be solely responsible for all expedited freight costs. Furthermore, Zulu Pods reserves the right to assess Liquidated Damages (not as a penalty, but as a reasonable estimate of line-down disruption) at a rate of 1.5% of the delayed PO line-item value per calendar day, up to a maximum of 15%.

c. **Bailment of Tooling & Equipment.** All designs, tools, jigs, dies, fixtures, templates, molds, and testing equipment furnished by Zulu Pods, or specifically paid for by Zulu Pods ("Bailed Property"), shall remain the exclusive property of Zulu Pods. Party B shall clearly mark Bailed Property as "Property of Zulu Pods," shall maintain it in good working condition, and bears all risk of loss. Zulu Pods reserves the right to enter Party B's premises during normal business hours to audit, inspect, or physically recover Bailed Property upon reasonable prior written notice.

d. **Cybersecurity Compliance.** If Party B receives, processes, or stores Controlled Unclassified Information (CUI) or ITAR/EAR technical data, Party B warrants that it complies with the cybersecurity requirements of NIST SP 800-171 and the Cybersecurity Maturity Model Certification (CMMC) framework at the level requisite for the data provided.

e. **Purchasing Terms.** Party B shall perform first-article inspections and provide certificates of conformance for all deliveries. Zulu Pods reserves the right to inspect, accept, or reject goods at its facility. Party B shall retain all manufacturing

and inspection records for a minimum of ten (10) years. Title and risk of loss shall pass to Zulu Pods upon acceptance of the goods at Zulu Pods' facility.

f. **Change Notification and Flowdowns.** Party B shall not change its manufacturing processes, materials, facilities, or sub-tier suppliers without prior written approval from Zulu Pods. Party B shall flow down all applicable requirements to its sub-tier suppliers. For all defense-related orders, Party B shall comply with and flow down applicable Defense Federal Acquisition Regulation Supplement (DFARS) clauses, including but not limited to requirements regarding specialty metals, counterfeit parts (DFARS 252.246-7007 and 252.246-7008), and safeguarding covered defense information and cyber incident reporting (DFARS 252.204-7012).

g. **Survival.** Provisions regarding Intellectual Property, Confidentiality, Warranties and Liabilities, Indemnification, and Export Controls shall survive the expiration or termination of this Agreement.

h. **Assignment.** Neither party may assign this Agreement without the prior written consent of the other party.

i. **Independent Contractor.** The relationship of the parties is that of independent contractors, and nothing herein shall be construed to create a partnership, joint venture, or agency relationship.

IV. TERMINATION

a. **Termination for Cause.** Either party may terminate this Agreement if the other party breaches a material term and fails to cure such breach within thirty (30) days of written notice. However, Zulu Pods reserves the right to terminate this Agreement and any open POs immediately upon written notice if Party B commits a critical breach, defined as: loss or suspension of AS9100 certification, violation of ITAR/EAR regulations, or the introduction of Foreign Object Debris (FOD) into Zulu Pods' hardware.

b. **Termination for Convenience.** Zulu Pods reserves the right to terminate this Agreement or any outstanding Purchase Order for convenience, in whole or in part, at any time upon thirty (30) days' prior written notice to Party B. Upon receipt of such notice, Party B shall promptly, and no later than the effective date of

termination, direct its supply chain to cease all work and mitigate all associated costs. Party B shall have no right to terminate this Agreement for convenience.

c. **Termination for Changes in Government Regulations or Priorities.** In the event of any change in applicable laws, regulations, or government priorities that materially affects either party's ability to perform its obligations under this Agreement, Zulu Pods may terminate this Agreement upon written notice to Party B.

d. **Effects of Termination.** Upon termination of this Agreement, outstanding payments for fully conforming products that have been successfully delivered, inspected, and unconditionally accepted by Zulu Pods prior to the termination date shall become due and payable. In the event of termination for convenience by Zulu Pods, Zulu Pods shall pay Party B for work-in-progress and non-cancelable costs directly resulting from the termination, provided such costs are strictly mitigated and capped at the total value of the canceled Purchase Order.

V. **INSURANCE.** Both Parties shall maintain, at its own expense, insurance coverage to protect from risks arising out of or relating to the performance of this Agreement, including products liability insurance and general liability insurance each with minimum limits of $1,000,000 per occurrence and $2,000,000 in the aggregate, and workers' compensation insurance as required by applicable law.

VI. **GOVERNING LAW.** This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without regard to its conflict of law provisions.

VII. **DISPUTE RESOLUTION.** Any dispute arising out of or in connection with this Agreement shall be resolved through binding arbitration before a single arbitrator under the JAMS Streamlined Arbitration Rules and Procedures. The arbitration shall be conducted in Fort Lauderdale, Florida, or another mutually agreed location. The decision of the arbitrator shall be final and binding on the Parties. Arbitration is the exclusive remedy for disputes arising under this Agreement, and the parties waive their rights to bring a lawsuit, provided, however, that either party may seek immediate injunctive or equitable relief in a court of competent jurisdiction to prevent or stop

intellectual property misuse, breaches of confidentiality, or export control violations.

VIII. FORCE MAJEURE. Neither party shall be liable for any delay or failure in performance due to any cause beyond its reasonable control, including but not limited to acts of God, war, terrorism, riots, embargoes, strikes, lockouts, or other labor disputes.

IX. EXPORT CONTROLS.

a. Both Parties acknowledge that the performance of this Agreement may be subject to export control laws and regulations. Each party agrees to comply with all applicable export control laws and regulations and shall obtain any necessary export licenses or authorizations prior to exporting any technical data or other controlled items.

b. The Parties acknowledge and agree that information shared between the Parties under this Agreement may contain "Technical Data" as defined by the U.S. Export Administration Regulations (EAR), International Traffic in Arms Regulations (ITAR) or locally applicable export control laws or regulations. Technical Data may only be transferred to U.S. Persons (defined in Part 120 of the ITAR and various parts of the EAR) unless prior authorization is granted by the U.S. Department of Commerce or the U.S. Department of State. The Parties hereby covenant and agree not to export or re-export, directly or indirectly, any Technical Data mentioned above, including any goods, process or services derived from such Technical Data, to any destination to which such export or re-export is restricted or prohibited by U.S. or locally applicable law or regulations, without first obtaining, at its own expense, all prior authorizations, licenses, clearances and permits from the U.S. Department of Commerce, the U.S. Department of State and/or other applicable government authorities to the extent required by those laws or regulations.

X. **ENTIRE AGREEMENT**. This document, with any documents expressly incorporated by reference, govern the transaction. If the parties have executed a separate, formal written agreement covering the same subject matter, the terms of that formal agreement shall control in the event of any direct conflict. Conflicting or additional terms proposed

by Party B in any order acknowledgment or standard forms are explicitly rejected.

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