



APPLIED TECHNICAL SERVICES, INC.

www.atslab.com

1049 Triad Court • Marietta, GA 30062 • 770-423-1400

The terms and conditions governing this contract are the Applied Technical Services, Inc. (ATS) Purchase Order Terms and Conditions.

THIS PURCHASE ORDER, OR ANY OTHER ISSUED HEREUNDER, IS BINDING WITH OR WITHOUT THE EXECUTION OF THE BELOW DOCUMENT. ONCE THE VENDOR STARTS PERFORMANCE UNDER THIS PO CONTRACT, THAT ACTION BY THE VENDOR CONSTITUTES FULL ACCEPTANCE OF THE TERMS AND CONDITIONS AS RECORDED ON THIS PO CONTRACT. FROM TIME TO TIME ATS MAY REQUIRE THE VENDOR TO SIGN THE BELOW ACKNOWLEDGMENT. The undersigned hereby certifies that he/she is the agent of the seller and has the authority to execute the Acknowledgment.

Authorized Signature: _____ Date: _____
Printed Authorized Signature: _____

THIS PURCHASE ORDER IS SUBJECT TO ALL TERMS AND CONDITIONS SHOWN EITHER ON THE FACE AND REVERSE SIDE HEREOF OR CONTAINED WITHIN THE CONFORMED DOCUMENT, INCLUDING ANY ADDITIONAL SHEETS THAT ARE PART OF THIS PURCHASE ORDER.

In the event a Change Order is added to this contract, if noted that, except as expressly changed in the body of this Change Order, the previously agreed upon Terms and Conditions and other portions of this Purchase Order will remain the same.

This purchase order, or any change order issued hereunder, may be construed as an offer, an acceptance of an offer, or a confirmation of a contract.

In the event the purchase order, and/or change order issued hereunder, is construed as an OFFER, the offer expressly limits acceptance to the terms of an offer and constitutes notice of objection to any additional or different terms in the acceptance so as to preclude the inclusion of any different or additional items in any resulting contract.

If this purchase order, or any change order issued hereunder, is construed as an ACCEPTANCE or as a CONFIRMATION of any existing contract, the acceptance or such confirmation expressly conditioned on the seller's assent to any additional or different terms contained herein.

All sections of the Uniform Commercial Code which expressly or implied protect the buyer are hereby incorporated by reference in this form, whether it be construed as an offer, acceptance, or confirmation.



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IMPORTANT INVOICE PAYMENT GUIDELINES

To insure timely payment of Invoices for seller's products, the following invoicing requirements are presented:

- 1) All invoices shall indicate Invoice Number and Invoice Date and be sent to:

Applied Technical Services, Inc
Attn: Accounts Payables Department
1049 Triad Ct
Marietta, GA 30062

- 2) All invoices shall indicate the applicable Buyer Purchase Order Number and specific Purchase Order Line item(s) for which the Invoice applies.
- 3) All Invoices shall indicate specific dollar amount matched to the Purchase Order Line Item. Should the Invoice dollar amount differ from the Purchase Order Line Item amount, the Invoice shall include brief explanation and brief Line Item Description. Should there be any Invoice questions; Seller Point of Contact should be indicated on Invoice with contact phone number. Should invoice amounts differ from PO amounts ATS will pay the PO amounts. ATS will make best efforts to negotiate billing overages as well as shipment overages. Should Vendor ship in excess of PO amounts the vendor does so at its own risk.
- 4) Invoice Payment Terms shall agree with Purchase Order Payment Terms.
- 5) All Freight Invoices for Pre-pay and Add Freight cost shall include copy of Freight Bill and Bill of Lading.
- 6) Final Invoices shall always include an executed Waiver of Lien Form if required by the terms of the Purchase Order.
- 7) Transfer of property title will take place once vendor invoice is issued to ATS.
- 8) Seller should ensure that data or document items have been provided to the Buyer recipient as indicated within the Purchase Order.
- 9) With the vendor's invoice a copy of your packing list along with a copy of the "Bill of Lading" shall be mailed to:

Applied Technical Services, Inc
Attention: Accounts Payable
1049 Triad Ct
Marietta, GA 30062



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Applied Technical Services, Inc. (ATS) Purchase Order Terms and Conditions

1. Definitions: The term "Buyer" shall mean the company designated as the buyer on the first page of the Purchase Order. The entity to which the Purchase Order is directed and issued shall be termed the "Seller". The description in the Purchase Order of what Seller is providing to the buyer shall be termed "Seller's Work". The entity with which Buyer has a contract for which Sellers Products are being purchased shall be termed the "Customer". The terms "Agreement", "Contract" "Order" or "Purchase Order" (PO) shall mean this document and all its appendices. The term "Product" shall mean any material, machinery, equipment, services, article, item or work provided for in this order. The term "Parties" shall mean the parties executing this Purchase Order.
2. Changes: Buyer shall have the right, by written change order, to make changes, deletions and/or additions to the Product covered by this Purchase Order. Seller agrees to comply with such change orders/notices. If such changes materially increase or decrease Buyer's cost or time for performance, an equitable adjustment will be negotiated, and this Purchase Order may be modified in writing accordingly. Any claim for adjustment must be asserted by Sellers within (10) days after receipt of any such change order. Seller shall proceed with the change(s) pending resolution of any dispute.
3. Delivery: Time is of the essence. Seller shall furnish sufficient labor, material, services, management forces, plant and equipment and shall work such hours including night shift, overtime, weekend and holiday work as may be required by Buyer to assure compliance with the established delivery date at no additional charge to Buyer. Seller guarantees completion of Sellers scope of delivery under this Order by the dates stated in the Purchase Order. Seller shall promptly notify Buyer of any actual or anticipated delay in delivery and shall take all responsible steps to avoid or end delays without additional cost to Buyer. If seller does not comply with Buyers delivery schedule, Buyer may require delivery by fastest way with charges absorbed by the Seller. The Product that Seller is providing under the Purchase Order is unique to Buyer's use and is not readily obtainable by Buyer from another source within the time frame mandated by Buyer's Contract with its customer, to which liquidated damages may attach upon Buyer's failure to make delivery. In the event that Seller fails to make timely delivery to Buyer, or repudiates its obligations to deliver the Product, in whole or part, Buyer shall, in addition to any and all other rights, have the right to replenish the goods and all materials identified to the Purchase Order. Seller shall, upon notice, undertake all reasonable means to facilitate Buyer's repletion of the products identified to the Purchase Order. Seller shall pay Buyer liquidated damages as specified in this order. The rights and remedies of the Buyer provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this order. Seller will not be liable for damages for delays in performance due to causes beyond its control and without its fault or negligence.
4. Indemnity: Seller hereby agrees to defend, indemnify and hold harmless Buyer, its affiliates, employees, officers, directors, and agents ("Indemnified Party") from and against any and all claims, suits, losses, damages, liability, cost and expense, including but not limited to, reasonable attorneys' fees, arising out of any injury (including death) to any person or damages to any property resulting from or in any way connected with the performance of this Purchase Order or Product furnished hereunder, regardless of whether or not such loss, damage, liability, cost or expense is caused in part by an Indemnified Party. Neither this paragraph nor any other provision of this Purchase Order shall be construed in any circumstances to constitute as indemnification against any loss, damage, liability, cost or expense caused solely by the negligence or willful misconduct of such Indemnified Party.



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5. Inspection and receipt of good and services: All goods and services (products) covered by this order are subject to inspection, testing and final acceptance or rejection by Buyer and its Customer (which term throughout this clause shall include, without limitation, the Federal Government, including its surveillance and/or regulatory agencies) to the extent practicable at all times and places, including the period of production and in any event prior to final acceptance by the Buyer and Customer. The goods and services are also subject to inspection by Buyer at Sellers' plant, or Seller's sub-supplier's plant, without additional charge. If within a reasonable time after delivery Buyer finds the goods and services to be defective in workmanship or materials or otherwise not in conformity herewith or with the drawings and/or specifications pertaining hereto, Seller shall be obligated to promptly undertake corrective action to cause the goods and services to be brought into conformity with the order. In the event that a material non-conformity in the goods and services exists, Buyer may additionally take the following actions, at its discretion, by written notice to Seller, as to such products: (i) Require Seller to repair or correct the product in a reasonable time period (ii) reject and hold products, at Sellers expense subject to their disposal, and require the delivery replacement products; (iii) return products freight collect. If seller fails to deliver such required replacement promptly, Buyer may (i) replace such and charge Seller with the cost incurred, including reasonable charges for administration or (ii) terminate the Order for default. No inspection, test, or acceptance of product by Buyer shall relieve Seller of its warranty obligations or other obligations to meet the requirements hereof. Rights granted to Buyer herein are in addition to any other remedies provided by law. By acceptance of this Purchase Order, Seller agrees to provide access to production processes and related information to Buyer or its authorized representative.
6. Liability: In no event shall either Party to this agreement be liable to the other (in contract or in tort, including negligence) for special, indirect incidental or consequential damages including, but not limited to, interest or carrying charges on its investment, expenses arising from costs of capital, loss of profits on work not performed, or for loss of use of, or under utilization of labor, equipment or facilities.
7. Patents: Seller shall at its sole expense indemnify, hold harmless and defend Buyer from and against, any suit or proceeding brought against Buyer based on a claim that the manufacture, use or sale of any Product, or any part thereof, supplied under the Purchase Order constitutes infringement of any patent, copyright, trademark, or propriety information right of others, and Seller shall pay all damages and costs awarded therein against Buyer. In case said product or any part thereof is in such suit held to constitute infringement or the sale or use of said product or parts enjoined, regardless of whether such determination constitutes a final judgment, Seller shall, at its expense, either procure for Buyer the right to sell and use said product, or replace same with substantially equal by non-infringing product; or if approved by Buyer, remove said product and refund the purchase price and the transportation and the installation cost thereof.
8. Proprietary information: all designs, drawing or other written information obtained by Seller from Buyer in connection with this Order are received in confidence and shall remain the property of Buyer. Seller shall not use or disclose any details to any third party or internally other than to the extent necessary for the performance of this Order, without obtaining the prior written consent of Buyer. Buyer does not grant or convey to Seller by virtue of this Order any reproduction rights to the product as covered by the drawings and specifications received.
9. Risk of Loss: Deliveries shall be made FOB destination unless otherwise specified in the Purchase Order. Risk of loss of the product shall pass to Buyer upon completion of delivery after receipt, inspection and acceptance.



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10. Shipment and transportation: Seller's quoted prices shall include packing, freight and transportation to FOB location as directed by Buyer, unless a different term is stated on the face of the PO. All products shall be properly marked for identification purposes in accordance with good commercial practices to obtain lowest transportation rates and accompanied by an itemized packing list. Upon delivery to the buyer's designated location, risk of loss shall pass from Seller, provided, that any loss of damage which results from Seller's non-conforming packaging or crating shall be borne by the Seller. Seller shall not make partial shipments or deviate from the shipping instructions herein without written consent. Buyer may return or store at Seller's expense any products delivered in advance of delivery dates shown herein or called for by Buyer. The obligations of Seller and Buyer under the terms of delivery stipulated in the Order shall be as defined in either the Uniform Commercial Code or "Incoterms 2000" published by ICC Publishing S.A. depending respectively, upon whether the Seller resides in the USA or elsewhere.
11. Subcontracting: Seller shall not subcontract any portion of work without prior written approval of buyer. Unless otherwise specified, this restriction shall not apply to purchases of raw materials or standard commercial items or services. Buyer's approval will not be unreasonably withheld.
12. Substitution of Products: No substitutions of Products or accessories shall be done without prior written permission from Buyer.
13. Suspension: Buyer may, at any time, by written notice to Seller, suspend performance of the work. Said notice of suspension shall specify the date of suspension and estimated duration of suspension. Upon receiving any such notice of suspension, Seller shall promptly suspend further performance of this Order to the extent specified, and during the period of such suspension shall properly care for and protect all work in progress and materials, supplies and equipment Seller has on hand for performance of this Order. Buyer may, at anytime, withdraw the suspension or performance of work as to all or part of the suspended Order by written notice to Seller specifying the effective date and scope of withdrawal, and Seller shall resume diligent performance of the Order for which the suspension is withdrawn and the specific effective date of withdrawal.
14. Termination for convenience or default: Buyer shall have the right to terminate this Purchase Order for its convenience, in whole or in part, at any time by written notice whenever it determines such termination to be in its best interest. In such event, Seller shall promptly comply with the directions contained in such notice and shall, subject to such direction, (1) take necessary action to terminate the work as provided in the notice, minimizing costs and liabilities, (2) protect, preserve and deliver any property related to this Order which is in Seller's possession pursuant to Buyer's direction; and (3) continue the performance of such work, if any, as may not have been terminated by the notice. Buyer shall have the right to terminate the PO for default, in whole or in part, by written notice to the seller if: (1) Seller fails to deliver items and materials or to perform the services within the time or manner provided under Order, or (2) Seller becomes insolvent or makes an assignment for the benefit of creditors, commits an act of bankruptcy or files or has filed against it a petition in bankruptcy or reorganization proceedings. In the event Buyer terminates this Order, in whole or in part, for default, Buyer may procure, upon such terms as buyer may deem appropriate, items, Products similar to those so terminated and Seller shall be liable to Buyer for any excess cost that can be shown to have been commercially reasonable in order to obtain such similar Products in a timely manner. In addition, Buyer may, at its option, require Seller to deliver to Buyer any completed or partially completed Products related to this Order.



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15. Customer Change, Suspension or Termination for convenience: In the event that a change, suspension or termination for convenience arises from or relates to similar directives from the Customer to the Buyer, the Seller agrees to make all claims, responses or submittals relating to the Customer directive in the same manner and within the time limits provided in the directive of the Customer, which shall be passed through by the Buyer to the Seller so that the Buyer may transmit such items to the Customer in accordance with the Customer directive. In such event the Seller agrees that it shall be bound to Buyer in the same manner and according to the same time limits provided in the Customer directive for like items by the Buyer to the Customer. Any doubt about whether an Action requirement falls within the provisions of this paragraph shall be resolved in favor of inclusion within the terms of this paragraph.
16. Waiver of Terms: Any waiver of terms and conditions of this Order shall not prevent Buyer from thereafter insisting upon complete compliance with the Terms and Conditions set forth in this Purchase Order, with respect to subsequent deliveries of Products and shall not constitute a waiver of any other Terms and Conditions.
17. Warranty: Seller warrants that all Products and services sold pursuant hereto will be free of any claim of any nature by any third person and that the Seller will convey clear title to the Buyer as provided hereunder. Seller hereby warrants the Product to be furnished hereunder will be in full conformity with buyer's specifications, drawing and data, or Seller's sample, and that such Product will be merchantable and fit for the particular purpose for which it is required. The Seller shall obtain all sub-tier manufacturers' warranties in writing and deliver them to the Buyer on or prior to the date of Buyer Acceptance. If a manufacturer offers a warranty on selected Products which is longer than the Seller's warranty on such Product, such longer warranty shall be passed through to Buyer and Seller will make reasonable efforts to assist Buyer in enforcing such longer warranty. Seller agrees that this warranty shall survive acceptance of the Product and shall run to Buyer, its successors, assigns, customers, owners, and users thereof. Said warranty shall be in addition to any warranties of additional scope given to Buyer by Seller. In addition to and not in substitution for any right and remedies which Buyers, its successors, assigns, customers, owners and users of the Product furnished hereunder shall have under this contract or by law, Seller shall replace, repair or make good, at its cost, any defects or faults arising within the warranty period stated in the PO, but not less than one (1) year after first placed into service by Buyer.
18. Work on Buyer's premises or its customer's premises: If Seller's work under this Order involves operations by Seller on the premises of Buyer or of its Customer(s). Seller shall take all necessary precautions to prevent the occurrence of any injury to persons or property during the progress of such work and, except to the extent that such injury or damage is due solely and directly to Buyer's or its Customer's negligence, as the case may be, shall defend and indemnify Buyer against any claim which may result in any way from any act or omission of the Seller, its agents, employees, or subcontractors.
19. Insurance: Seller shall maintain Comprehensive General Liability Coverage, including Contractual Liability Coverage insuring the liabilities assumed above and Automobile Liability and Employer's Liability insurance with limits as reasonably required by Buyer, as well as appropriate Workers' Compensation insurance as will protect Seller from all claims under any applicable Workers' Compensation and Occupational Disease Act. If requested by the Buyer the Seller shall furnish to Buyer a Certificate of Insurance completed by its insurance carrier(s) certifying that required insurance coverage is in effect and will not be canceled or materially changed until thirty days after prior written notice has been delivered to the Buyer and (Buyer) Applied Technical Services, Inc., and its Subsidiaries, Affiliates, Members, Partners, Shareholders, Officers, Directors, Managers, Agents and



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Employees are named as additional insured with respect to General Liability, Auto Liability and E&O Professional Liability. Waiver of subrogation is applicable to General Liability, Auto Liability, E&O Professional Liability and Workers Compensation, coverage is Primary and Non-Contributory. Seller will issue policy endorsements in favor of the Buyer.

20. **Compliance with law:** This Seller and all of its covered subcontractors shall abide by the requirements of 29 CFR Part 471, Appendix A to Subpart A, 41 CFR 60-1.4(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based upon their race, color, religion, sex, sexual orientation, gender identity, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability.
21. **Assignment:** Assignment by Seller of the PO or any interest therein or any payment due or to become due hereunder without prior written consent of Buyer, shall be void.
22. **Payment Terms:** Payment shall be made as stated in the PO, payable when an acceptable invoice is received and all acceptable goods and services are delivered in accordance with this PO.
23. **Taxes:** All prices are exclusive of any present or future Federal, State, Municipal or other States sale or use tax with respect to the Product covered hereby, or any other present or future Excise tax upon or measured by gross receipts from this transaction or any allocation portion thereof or by gross value of the Material or Equipment covered hereby.
24. **Title and Lien Waiver:** Title to and right to possession of the Product shall transfer to Buyer upon the earlier of the date when Products are identified to the PO or the date of payment of the invoices. Seller warrants full and unrestricted title to Buyer and Owner for all goods and services furnished by Seller under the Purchase Order, free and clear of any and all liens, restrictions, reservations, security interest, and encumbrances. Seller hereby waives for itself, its successors, assigns, subcontractors, or anyone performing services for seller in connection with the order, any and all claim or right of lien which it may use as a result of the performance of the order, against the property of the customer or end user of any of the Products purchased hereunder. If requested by Buyer, Seller will provide Buyer with written waivers of lien, for itself and for the other parties referenced above, prior to its receiving payment on any invoice or at any other time requested by Buyer.
25. **Arbitration, Jurisdiction, Venue and Governing Law:** In the event a dispute should arise out of this PO, or breach thereof occurs, and if said dispute cannot be settled through negotiation, the Parties agree to settle the dispute by Arbitration in the City and State listed in the address of the Buyer on the PO in accordance with the Commercial Rules of the American Arbitration Association. The award rendered by the Arbitrators will be final, judgment may be entered upon it in any court having jurisdiction thereof, and it will not be subject to modification or appeal. The entering into, construction, interpretation, performance, and discharge of the Terms and Conditions set forth under this PO shall be governed in accordance with the laws of the State of Georgia.
26. **Severability:** The invalidity of any provision or obligation hereunder or contravention thereby of any prevailing law, rule, or regulation shall not relieve Buyer or Seller from its obligations hereunder, nor deprive Buyer or Seller of the advantages of any other provisions of this Contract.



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27. Entire Agreement: The terms and conditions contained in these Terms and Conditions, together with the Purchase Order, any Special Terms and Conditions, specifications, drawings and documents referred to therein, constitute the entire agreement between the parties. The terms hereof may not be modified or amended, except in writing, signed by the authorized representative of both Buyer and Seller. Trade custom and/or usage are superseded by the Contract and shall not be applicable in the interpretation of Contract.