

Standard Terms and Conditions

1. **Acceptance-Agreement** Seller's commencement of work or shipment of the goods, whichever occurs first, constitutes acceptance of this purchase order and all of its terms and conditions. TEAM Technologies, Inc. hereby objects to any terms proposed in Seller's acceptance or acknowledgement of TEAM's offer which add to, vary from, or conflict with the terms of this order. Any such proposed terms shall not operate as a rejection of this offer but are deemed a material alteration, and this offer shall be deemed accepted by the Seller without said additional or different terms. If Seller shall deem this purchase order an acceptance of a prior offer, such acceptance is expressly limited to the terms contained on the front and back of this order.
2. **Assignment** Seller may not assign or transfer this Agreement or any rights herein, in whole or part, including the obligation of Seller to directly perform the work herein through its employees, without the prior written consent of TEAM.
3. **Certification of Nonsegregated Facilities** Seller certifies that, in compliance with 41 C.F.R. 60-1.8 as implemented by FAR 52.222-21, it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. Seller agrees that breach of this certification is a violation of the Equal Opportunity clause incorporated herein. Seller further agrees that it will either: (a) obtain certifications of nonsegregated facilities from proposed sellers for specific time periods; or (h) obtain certifications of nonsegregated facilities from proposed sellers before the award of any subcontracts subject to the Equal Opportunity clause, will retain such certification in its files, and forward the Notice set forth in FAR 52.222-21 to proposed sellers.
4. **Changes** TEAM shall have the right to make changes in this order at any time for its convenience upon written notice to Seller. Such changes shall be subject to an equitable adjustment in the performance schedule or purchase price, based on reasonable and unavoidable costs incurred by the Seller prior to notice of the change. Any claim of Seller for an adjustment must be submitted in writing to TEAM within thirty (30) days of the TEAM change notice.
5. **Confidential Proprietary Information** Any information or data furnished by TEAM to Seller under this order in the form of specifications, drawings, reprints, technical information, equipment, prototypes, forecasts, schedules, or other technical or business information shall be deemed TEAM Confidential Proprietary Information, shall remain TEAM's property, shall be kept confidential, and shall be promptly returned to TEAM at TEAM's request. Seller shall not disclose, without TEAM's written permission, any such information or data to any other person, or use such information or data for any purpose other than performing this order. The obligations under this paragraph shall survive cancellation, termination, or completion of this order. Unless otherwise agreed in writing, no commercial, financial or technical information disclosed in any manner or at any time by Seller to TEAM shall be deemed secret or confidential.
6. **Conflicts of Interest** Seller represents that its execution and performance of this Agreement does not conflict with or breach any contractual, fiduciary or other duty or obligation to which Seller is bound. Seller further represents that it will not accept work during the term of this Agreement which would create an organizational conflict of interest ("OCI"). Seller shall immediately provide notice to TEAM in the event that it discovers any potential, actual or apparent personal or organizational conflict of interest related to or arising from this Agreement. Failure to disclose and adequately avoid or mitigate any OCI shall entitle TEAM to immediately terminate the affected Order.

7. **Construction of Agreement** Seller acknowledges that it has read and requested any and all modifications to this Agreement that are needed to express the intent of the parties. Accordingly, the rule of contra preferendum shall not apply to this Agreement and Seller agrees and acknowledges that any ambiguity, inconsistency or conflict that remains in the Agreement after its execution by both parties shall not be construed for or against either party.
8. **Dispute Resolution** Both parties agree that any claims or disputes, except for claims or disputes relating to intellectual property, will be submitted to non-binding mediation prior to initiation of any formal legal process. Costs of mediation will be shared equally.
9. **Equal Employment Opportunity and Affirmative Action** This order incorporates by reference; (a) all provisions of 41 C.F.R. 60-1.4 and 60-2 as implemented by Federal Acquisition Regulation (FAR) 52.222-26(b) (1)-(11) pertaining to the Equal Opportunity clause; (b) all provisions of 41 C.F.R. 60-250 as implemented by FAR 52.222-35 and -37 pertaining to employment reports and affirmative action for disabled veterans and veterans of the Vietnam Era; and (c) all provisions of 41 C.F.R. 60-741 as implemented by FAR 52.222-36 pertaining to affirmative action for handicapped/disabled workers. Seller agrees to comply with any and all applicable State and Local Government Equal Employment Opportunity and Affirmative Action laws, including any and all applicable statutes, rules, regulations, ordinances and other guidelines.
10. **EEO-1 Representation** Seller represents that it has submitted Standard Form 100 (EEO- 1) compliance reports as required by 41 C.F.R. 60-1.7 as implemented by FAR 52.222-22.
11. **Force Majeure** This Agreement will terminate without liability to either party if substantial performance of either party's obligations is prevented by an unforeseeable cause reasonably beyond that party's control. Such causes include, but are not limited to, acts of God, regulations, or orders of governmental authorities, fire, flood or explosion, war, disaster, civil disorder, curtailment of transportation facilities, or other emergency making it illegal or otherwise impossible to provide the deliverable goods or services.
12. **Forced, Indentured And/Or Convict Labor** Seller represents that the goods and services covered by this purchase order, or components thereof, are not produced, manufactured, mined, or assembled in whole or in part with the use of forced, convict, and/or indentured labor under penal sanction as prohibited by any state law or U.S. Statute including any class of labor specified in section 307, Tariff Act of 1930, its implemented in 19 C.F.R. 12.42.
13. **General** This purchase order and any documents attached to or referred to on this order constitute the entire agreement between the parties and can only be modified in writing signed by authorized representatives of both parties. No part of this order may be assigned or subcontracted without the prior written approval of TEAM. All claims for money due from TEAM shall be subject to deduction or set off by TEAM for any counterclaim arising out of this or any other transaction with Seller. TEAM's failure to enforce or insist on performance of any of the terms or conditions in this order shall not operate as a waiver of that or any other right.
14. **Governing Law** This agreement/contract/order shall be governed by and construed according to the law of Federal Government Contracts. To the extent that Federal Government Contract Law does not resolve a particular issue, the laws of the State of New Mexico shall apply, exclusive of that body of laws known as conflicts of law.
15. **Government Subcontract** If a government contract number appears on the face of this order, Seller agrees to comply with all terms and conditions of that government

contract and made a part of any other pertinent laws, Presidential directives and executive orders to the extent that they apply to the subject matter of this order.

16. Import/Customs For each shipment where the Seller sources goods covered by this order outside the United States Customs Territory, TEAM shall have the option of being the Importer of Record. In such case, the Seller shall furnish TEAM with a commercial invoice containing the following information: (1) port of entry; (2) names of Seller and TEAM entity purchasing the merchandise; (3) name of shipper (if different from Seller); (4) country of export; (5) detailed description of merchandise; (6) quantities and weights; (7) actual purchase price, including all elements of the amount paid or payable by TEAM; (8) the currency in which the sale was made; (9) all charges, costs and expenses associated with the merchandise, including freight, insurance, commission, containerization and packing, unless the cost of packing, containerization and inland freight are already included in the invoice price; (10) all rebates or discounts; (11) the country of origin (manufacture) of the goods; and (12) all goods or services furnished for the production of the merchandise (e.g., "assists") not included in the invoice price for the first shipment of goods destined for the United States Custom Territory unless TEAM directs otherwise in writing. The Seller agrees to comply with all laws and regulations governing the importation of goods into the United States Custom Territory.

17. Indemnification The employees of each party shall obey all pertinent rules, regulations and laws while on the premises of the other party. Each party agrees to defend, indemnify and hold harmless the other party from and against any and all claims for: (a) damage to, or the loss of use of, the other party's personal property; and (b) injury or death caused by any act or omission of the indemnifying party's employees, consultants or agents in connection with performance of this Agreement. This indemnification shall survive the termination of this Agreement.

This indemnification shall be in addition to all other obligations of Seller under this order to include liabilities, losses, damages, costs, credits, penalties or charges, including reasonable attorneys fees, suffered or incurred by TEAM as a result of (i) any claims, suits, proceedings, audits, investigations, or other actions brought against TEAM, its agents, employees, representatives, or sellers arising out of or related to the performance of Seller, its agents, employees, representatives, or sellers under or certifications made pursuant to this Agreement; or (ii) any failure by Seller to comply fully with any laws and regulations, whether or not the same are specifically referenced in this Agreement.

18. Insignia If any Products are rightfully rejected or not purchased by TEAM, which utilize TEAM's name, trademarks, trade names, insignia, symbols, or decorative designs, Seller shall remove same prior to any sale, use or disposition thereof.

19. Intellectual Property Indemnity By acceptance of this order, Seller agrees to indemnify TEAM against all claims, judgments, decrees, costs and expenses, and attorney's fees incident to any proceeding which may be brought against TEAM or its agents, distributors, customers, or other vendors based on its claim of alleged copyright, trademark, mask work right, intellectual property or patent infringement, as well as for an alleged claim of unfair competition resulting from similarity in design, trademark or appearance of goods or services furnished under this order, unless the goods or services are of TEAM design or formula, and Seller agrees that it will, upon request of TEAM and at Seller's own expense, defend or assist in the defense of any action which may be brought against TEAM or its agents, distributors, customers, or other vendors for such infringement or claimed infringement or alleged claim of unfair competition. TEAM agrees to notify Seller promptly upon receipt of notice of infringement or information of such a suit having been filed.

- 20. Inspection** Seller's facilities, equipment, goods and services purchased under this order are subject to TEAM's inspection and acceptance. Payment for the goods and services delivered shall not constitute acceptance. Goods and services shall only be deemed accepted when they have actually been counted, inspected, and tested by TEAM and found to be in conformance with this order. Goods rejected and/or goods supplied in excess of those ordered or delivered in advance of the delivery schedule may, in addition to TEAM's other rights, be returned to Seller at its expense, including all expenses of unpacking, examining, repacking and reshipping such goods. If TEAM receives goods or services with defects or nonconformities whether or not apparent on inspection, TEAM reserves the right to require a refund or replacement as well as transportation costs and payment of damages. Nothing contained in this purchase order shall relieve Seller from the obligations of testing, inspection and quality control. NOTE: The U. S. Government reserves the right to perform quality assurance surveys and verification inspections at vendor and supplier locations where products, materials or services destined for Government use are rendered under a contractor's purchase order (contract). This may include the review of inspection records by the Government or TEAM.
- 21. Insurance** If this order includes services or work to be performed on TEAM's premises, Seller agrees to indemnify TEAM from all loss or damage arising out of such work, to observe the highest safety standards, to adhere to all TEAM work rules, safety standards and security requirements, to maintain insurance satisfactory to TEAM, and to furnish evidence of such insurance at TEAM's request. Seller shall have the following types of insurance and shall maintain them in the amounts shown during the term of this Agreement:
Comprehensive General Liability: \$1,000,000 for each occurrence and \$2,000,000 aggregate per project.
Automobile Insurance: \$1,000,000 for liability coverage and \$1,000,000 for personal injury.
Workers' Compensation and Employer's Liability Coverage: \$1,000,000 for bodily injury per accident and \$1,000,000 for bodily injury by disease. If applicable, Defense Base Act workers' compensation insurance for personnel provided pursuant to this subcontract (including but not limited to: employees, consultants, lower tier sellers) performing services overseas in support of the national defense.
The Seller shall provide a certificate executed by an authorized insurer that such insurance is in full force and effect and that TEAM will be notified thirty days prior to the modification or cancellation of such insurance. The Seller further certifies that it shall continuously maintain such insurance for the duration of this Subcontract.
- 22. Licenses** Seller shall obtain and maintain in force during the period of any Subcontract, all licenses, agreements and authorizations necessary or appropriate to enable performance of Seller's duties hereunder. If said permits, licenses, agreement and authorizations expire, terminate, are cancelled or are withdrawn, TEAM may terminate this agreement in accordance with Article
- 23. Limitation of Liability** In no event shall either party be liable to the other for any lost profits, lost savings, consequential, incidental, or special damages, even if advised of the possibility of such damages. Direct damages not limited by this clause include but are not limited to (I) any claim for procurement costs; (II) any claim for "offset" brought pursuant to the provisions of the federal acquisition regulations and (III) any claim for administrative or civil false claims remedies.
- 24. Materials, Tools and Equipment** All tools, equipment, dies, gauges, models, drawings or other materials paid for or furnished by TEAM for the purpose of this order shall be and remain the sole property of TEAM. Seller shall safeguard all such property while it is in Seller's custody or control, be liable for any loss or damage to such property, at TEAM's option procure adequate insurance, use it only for TEAM orders, and return it to TEAM upon request, Any such property described above whether furnished or ordered by TEAM and which may be in an unfinished state may be removed from Seller's premises or the

premises of sellers upon request without further action or bond. In the event that TEAM removes such property that is not finished, TEAM will pay Supplier a percentage of the order price that corresponds to the percentage of completion. Seller agrees to waive and hereby does waive any lien it may have in regard to such property and ensure sellers do the same.

- 25. Material Safety Data Sheets** Seller shall provide a Material Safety Data Sheet for those chemicals purchased under the terms and conditions of this order which are regulated by OSHA's hazard communication regulations set forth in 29 C.F.R. 1910.1200. All chemical suppliers certify by acceptance of this order that the chemicals purchased are on the Toxic Substances Control Act, 15 U.S.C.S. § 2601, et. seq., chemical inventory or are subject to an exemption and that such exemption is specified in the Material Safety Data Sheet.
- 26. Notices** Any and all notices required or permitted under this Agreement shall be addressed in writing and shall be deemed effective when personally delivered, three (3) days after being sent by Certified U.S. Mail, postage pre-paid, Return Receipt Requested, when sent via electronic fax with confirmation of successful transmission, or when sent by a nationally recognized delivery service providing receipt of delivery.
- 27. No Waiver** TEAM's delay or failure to require performance by the Seller of any term, condition or provision hereof shall not affect TEAM's right to require such performance at any time thereafter; nor shall the waiver by TEAM of a breach of any provision hereof be taken or held to be a waiver of the provision itself.
- 28. Ozone Depleting Substances** Seller agrees to comply with Clean Air Act ozone depleting substances labeling regulations set forth in 40 C.F.R. Part 82, Subpart E.
- 29. Packing, Delivery and Shipment** All goods shall be packed and shipped in accordance with instructions or specifications on this order. In the absence of any such instructions, Seller shall comply with the best commercial practice to ensure safe arrival at destination at the lowest transportation cost. TIME IS OF THE ESSENCE ON THIS ORDER. If goods are not delivered or services provided by the date specified, TEAM may terminate, without liability, this order as to items not yet shipped or services not yet rendered, by notice effective upon receipt by Seller. In such instance, TEAM may purchase substitute items or services elsewhere and charge Seller with any loss incurred. If in order to comply with TEAM's required delivery date it becomes necessary for Seller to ship by a more expensive method than specified in this purchase order, Sellers shall pay any increased transportation costs, unless the necessity for such rerouting or expedited handling has been caused by TEAM.
- 30. Price** The Articles shipped or work performed against this order must not be invoiced at a higher price than shown on the face of this order without the written consent of TEAM. The invoice must itemize transportation charges, including foreign inland freight and insurance and taxes separately, if applicable. If the price is omitted from the order, the price shall be the lowest prevailing market price. No charge will be allowed for packing, labeling, commissions, customs duties, storage, crating, or express handling unless indicated on this order.
- 31. Prior Written Permission Required For All Subcontracts** Seller shall not subcontract or delegate the services to be performed under this Agreement to another party without the prior written consent of TEAM.
- 32. Publicity** Seller is not authorized to make this Agreement known to any third party, through advertisement or otherwise, without the prior written consent of TEAM.

- 33. Relationship of the Parties** This Agreement does not establish a joint venture, partnership or any other formal business organization between the parties except for the relationship set forth herein. Unless otherwise agreed, neither party may act as the agent of the other party for any purpose whatsoever.
- Each party shall pay all labor compensation and benefits due its respective employees relating to this Agreement and shall be responsible for all obligations respecting such employees relating to income tax, FICA and Medicare withholdings, unemployment taxes, pension and retirement plan contributions, and other similar responsibilities.
- 34. Rights to Inventions** Unless otherwise agreed in writing by the parties, any inventions arising during the term of the Agreement shall be the property of the originating party. In the event of joint inventions, the parties shall each have an undivided, one-half interest in and to such jointly developed inventions. If a party files for a patent for any such invention, the other party shall pay one half of all related patent filing and prosecution fees, including attorneys fees, or it shall forfeit its interest in such invention and patent and shall assign its rights in the invention to the party filing for the patent. The parties agree to abide by provisions in the Prime Contract that may require the parties to grant license or other rights in the inventions and patents and associated data to the Government.
- 35. Severability** If any provision of this Agreement is held invalid, void or unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement nevertheless will continue in full force and effect without being impaired or invalidated in any way.
- 36. Termination** TEAM may terminate all or any part of this order at any time for its convenience upon written notice to Seller. TEAM will pay a reasonable termination charge based on a percentage of the order price reflecting the percentage of work performed by Seller prior to termination. Any claim for payment of such termination charges must be submitted in writing to TEAM within thirty (30) days of receipt of written notice of termination. TEAM shall have the right to audit all elements of any termination claim, and Seller shall make available to TEAM on request all books, records and papers relating thereto. Late deliveries, deliveries of products which are defective or which do not conform to this order, failure to perform as agreed, and failure to provide reasonable assurances of future performance upon request, shall all be reasons allowing TEAM to terminate this order for cause. In such event Seller shall be liable for any damages (or at TEAM's option, specific performance) due to Seller's breach or default. Neither party will be liable to the other for any delay or failure to perform if that delay or failure results from all unforeseeable cause beyond its reasonable control, except that TEAM may terminate all or any portion of this order without liability to Seller if such delay or failure to perform by Seller or on behalf of Seller extends beyond thirty (30) days of TEAM's requested delivery date. TEAM'S TOTAL LIABILITY FOR DAMAGES UNDER THIS ORDER SHALL NOT EXCEED THE PRICE ALLOCABLE TO THE GOODS OR SERVICES GIVING RISE TO THE CLAIM.
- 37. Warranties** Seller expressly warrants that all goods or services provided under this order shall be merchantable, free from defects in material and workmanship, of the highest quality, and shall conform to all applicable specifications and appropriate standards. If Seller knows or has reason to know the particular purpose for which TEAM intends to use the goods or services, Seller warrants that such goods or services shall be fit for such particular purpose. Seller further warrants that the goods are wholly new and contain new components and parts throughout and that Seller has good and warrantable title to the goods free and clear of all liens. Seller shall indemnify and hold TEAM harmless for all damages arising out of any breach of these warranties. In addition to the warranties above, Seller shall extend all warranties it receives from its vendors to TEAM, and to TEAM's customers. Breach of the warranties in this provision, or any other term of

this order, shall entitle TEAM to all available remedies, including those of the Uniform Commercial Code.

- 38. Work-In-Progress** Notwithstanding termination of this agreement, Seller shall be liable for payment of all Special Products, work-in-progress for assemblies, completed assemblies, and other supplier fees plus a reasonable profit.