

PURCHASE ORDER GENERAL TERMS AND CONDITIONS

Applicable to WilliamsRDM, Inc. Purchase Orders

1. ACKNOWLEDGMENT

Written acknowledgment of the WilliamsRDM Purchase Order is required within three (3) working days after receipt by the Seller. Acknowledgment may be transmitted by e-mail, fax or postal delivery to the attention of WilliamsRDM Buyer designated on the front page of the WilliamsRDM Purchase Order.

2. ASSIGNMENT

Seller shall not assign or sublet the work to be done hereunder without prior WilliamsRDM written consent, but this provision shall not restrict Seller in the procurement of components, parts, or materials unless specified elsewhere in the WilliamsRDM Purchase Order or its attachments. If Seller is not a manufacturer, Seller agrees to require compliance with all the provisions of the WilliamsRDM Purchase Order by its manufacturer the same as though such manufacturer was the Seller hereunder and if the WilliamsRDM Purchase Order is terminated for WilliamsRDM convenience under Article 8 above. All claims for money due or to become due from WilliamsRDM shall be subject to deduction for any set-off, recoupment or counterclaim for any present or future claim which WilliamsRDM may have against the Seller whether such arose before or after any assignment by Seller of any claims for money due hereunder.

3. AUTHORIZED PERSONNEL

Only the Buyer designated on the front page of the WilliamsRDM Purchase Order or other duly authorized representative(s) designated by WilliamsRDM shall be authorized to redirect the effort or in any way amend any part of the WilliamsRDM Purchase Order.

4. CERTIFICATIONS AND REPRESENTATIONS

All certifications and representations, which the Seller has submitted to WilliamsRDM in connection with the award of the WilliamsRDM Purchase Order, are incorporated by reference and have been relied upon by WilliamsRDM as part of the basis on which the WilliamsRDM Purchase Order was awarded. Seller agrees to advise WilliamsRDM promptly, and in writing, should there be any change in Seller's status with respect to the matters covered by the certifications and representations provided.

5. CHANGES

WilliamsRDM reserves the right, by written notice or change order issued hereunder, to make changes in descriptions of items (including part numbers), drawings, designs, specifications, type of samples, method of shipment, packaging, place of delivery, or quality requirements of items ordered. Upon receipt, Seller agrees to proceed diligently in the performance of the WilliamsRDM Purchase Order. To the extent feasible, any impact of the change required on the WilliamsRDM Purchase Order's price, schedule, or other terms and conditions will be mutually addressed at the time of issuance. However, should this not be the case, the Seller agrees to assert its right to an equitable adjustment within seven (7) working days after receipt of a duly authorized change order.

6. DATA RIGHTS

In the event the WilliamsRDM Purchase Order requires the delivery of technical data and/or computer software, all such noncommercial data shall be construed to be delivered with "unlimited rights" as defined under FAR 52.227-14 unless expressly agreed to otherwise under the terms of the WilliamsRDM Purchase Order. At time of delivery, the Seller shall also certify that, to the best of the Seller's knowledge and belief, the data is complete, accurate, and will comply with the requirements of the WilliamsRDM Purchase Order.

7. DEFINITIONS

Safety Data Sheet = SDS
Purchase Order = PO
Seller = Contractor, Supplier, Vendor
WilliamsRDM, Inc. = WMSRDM
Written = Electronic Mail, Facsimile, Hard Copy Format

8. DELIVERY

WilliamsRDM shipping window is a 7 day delivery window allowance. Early shipments must be approved prior to shipment, and unauthorized early shipments may be subject to return at the supplier's expense. Should it be necessary, partial shipments and payments are permitted as long as the WilliamsRDM Purchase Order identifies individual quantities and unit prices. If the Seller fails to make delivery of any goods or services in the manner required or by the delivery date set forth in the WilliamsRDM Purchase Order, WilliamsRDM may, by written notice or Change Order to Seller, claim an equitable adjustment, terminate the WilliamsRDM Purchase Order in whole or in part, or pursue any other remedies permitted by law.

9. DISPUTES

Both parties shall exercise their best efforts to settle all disputes arising under the WilliamsRDM Purchase Order by mutual agreement. If an agreement cannot be reached, the parties shall be free to exercise any legal or equitable remedies which may be available under the WilliamsRDM Purchase Order and the laws applicable thereto. However, pending a decision, appeal, judgment, or the settlement of any dispute arising under, out of, or in conjunction with The WilliamsRDM Purchase Order (except with respect to any cancellation or termination of effort), the Seller shall proceed diligently with the performance of the WilliamsRDM Purchase Order.

10. FORCE MAJEURE

Neither party shall be liable in damages or have the right to terminate this Agreement for any delay or default in perform default is caused by conditions beyond its control including, but not limited to Acts of God, Government restrictions (including the denial or cancellation of any export or other necessary license), wars, insurrections and/or any other cause beyond the reasonable control of the party whose performance is affected.

11. GOVERNING LAW

The WilliamsRDM Purchase Order shall be governed in all respects by the laws of the State of Texas. Any provision herein found by a court of competent jurisdiction to be invalid, illegal, or otherwise unenforceable shall be invalid only with respect to the offending provision and shall not affect the other terms and conditions herein.

12. GOVERNMENT

(A) Flow-Down Requirements – Should there be clauses applicable to the WilliamsRDM PO, then an Attachment will be added to the WilliamsRDM PO defining the requirements. Seller agrees to compliance of stated clauses and will provide any documentation as required. (B) Access - Seller agrees, at no additional cost, to provide the Government, their authorized representatives, and/or WilliamsRDM access to the Seller's facility at all reasonable times in order to perform periodic surveillance and/or inspection. (a) Unless otherwise notified or unless specified elsewhere in the WilliamsRDM Purchase Order, shipment of product is NOT withheld nor is prior authorization to ship required. (b) By acceptance of the WilliamsRDM Purchase Order, the Seller further agrees to flow-down this requirement to each of its suppliers.

13. HAZARDOUS MATERIAL NOTIFICATION

In accordance with Occupational Safety and Health Administration requirements, the Seller agrees to provide MSDS with the delivery of any goods which have or contain any hazardous characteristics, materials, substances, etc. Failure of the Seller to provide the MSDS may, at WilliamsRDM sole discretion, result in:

- (i) the withholding of payment, including off-sets against subsequent deliverables if necessary, until the MSDS are received,
- (ii) refusal to take delivery from the carrier, or
- (iii) a requirement for the Seller to remove the goods from WilliamsRDM premises at the Seller's expense.

14. INDEMNIFICATION

The Seller shall indemnify, defend, protect, and hold harmless WilliamsRDM, its officers, employees, and agents from and against all cost, losses, expense, damages, claims, suits, or any liability whatsoever, including attorney's fees, arising out of or in connection with the work to be performed hereunder, or any act or omission of Seller, its agents, employees, or subcontractors.

15. INSPECTION AND ACCEPTANCE

All articles shipped and works performed are subject to final WilliamsRDM inspection and acceptance at WilliamsRDM facility unless specified elsewhere in the WilliamsRDM Purchase Order.

- (a) Title will not pass from the Seller to WilliamsRDM until final acceptance by WilliamsRDM.
- (b) Any deliverable found to be in noncompliance prior to acceptance shall be returned, at the Seller's expense, for repair or replacement. (c) WilliamsRDM reserves the right to an equitable adjustment against the Seller for any damages resulting from such delays in Seller's performance.

16. NON-DISCLOSURE

Seller shall sign a Non-Disclosure agreement which shall be kept on file at WilliamsRDM. Seller shall keep confidential all specifications, drawings, tooling or any other data and/or information furnished by WilliamsRDM and/or WilliamsRDM's customer(s) or prepared by Seller specifically in connection with the performance of the WilliamsRDM Purchase Order. Seller shall not make or permit copies to be made of any Proprietary and/or Confidential Information except with prior written consent by WilliamsRDM and except as required for Seller's adequate performance of the WilliamsRDM Purchase Order. At the request of WilliamsRDM, Seller shall promptly deliver to WilliamsRDM all drawings, specifications, tooling and/or other data and/or papers furnished by WilliamsRDM and/or WilliamsRDM's customers and/or prepared by Seller in connection herewith together with all copies in Seller's possession or control and shall make no further use, either directly or indirectly, of any such drawings, specifications, tooling, data, other papers, and/or of any information derived therefrom in the performance of work for any other customer except with WilliamsRDM prior written consent.

17. ORDER ACCEPTANCE

The WilliamsRDM Purchase Order and all documents incorporated therein by reference, together with any subsequent written changes issued in writing constitute the entire agreement between both Parties. Accordingly, any terms or conditions proposed by Seller that are inconsistent with or in addition to the terms and conditions contained in the WilliamsRDM PO shall be void and of no effect unless specifically agreed to by WilliamsRDM, in writing, and incorporated into the WilliamsRDM PO prior to performing.

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Failure to provide an acknowledgment pursuant to Article 1 below will be construed by **WilliamsRDM** to mean that the Seller agrees to meet all terms and conditions, specifications, delivery dates, and/or any other requirements set forth in the **WilliamsRDM** PO.

18. ORDER OF PRECEDENCE

Should any of the various parts of the **WilliamsRDM** Purchase Order is found to be inconsistent, the following order of precedence will apply:

- (i) special terms and conditions;
- (ii) the terms and conditions in this form;
- (iii) specifications; and (iv) all other attachments incorporated in the **WilliamsRDM** Purchase Order by reference.

19. PACKAGING AND PACKING

Unless specified otherwise in the **WilliamsRDM** Purchase Order and/or on attached and/or referenced attachments, Standard Commercial Packaging will be sufficient to assure receipt of acceptable merchandise. No packing or carting charges are authorized without prior written approval from **WilliamsRDM**. The Seller shall mark all packages with the **WilliamsRDM** Purchase Order number and, as applicable, any appropriate hazardous material notices pursuant to Article 12 above.

20. PAYMENTS

WilliamsRDM shall, upon receipt of a proper invoice, subject to any withholding or set-off provisions entitled to **WilliamsRDM** under the terms of the **WilliamsRDM** Purchase Order, pay the Seller the amount specified in the **WilliamsRDM** Purchase Order for the item(s) accepted within the payment terms and time specified on the cover page of the **WilliamsRDM** Purchase Order. In computing payment discounts, if any, such time shall commence upon **WilliamsRDM**'s receipt of a proper invoice or receipt and acceptance of items delivered, whichever is later.

21. PRICE

Unless specified elsewhere in the **WilliamsRDM** Purchase Order, all prices indicated are firm fixed price. Articles shipped may not be invoiced at higher prices than shown on the **WilliamsRDM** Purchase Order. Seller warrants and represents that the price or prices specified in the **WilliamsRDM** Purchase Order do not exceed Seller's currently established selling prices for the same or substantially similar items whether to the Government or to any other industrial customer for similar material or services in like quantities.

22. PROCUREMENT INTEGRITY

Seller shall comply with all Federal, State, or local laws, rules, orders, or regulations as applicable in the performance of the **WilliamsRDM** Purchase Order. With regard to this order, Seller also warrants that they have complied, and will continue to comply, with all respects to the "Procurement Integrity Act" as implemented under FAR 3.104.

23. PROPERTY

Unless otherwise agreed in writing, all designs, patterns, tools, dies, jigs, fixtures, drawings, test equipment, or materials furnished "as is" by **WilliamsRDM** in connection with the **WilliamsRDM** Purchase Order shall be and remain the property of **WilliamsRDM** and shall not be used in any manner for any party other than **WilliamsRDM**. Further, in the event unique tools, dies, jigs, fixtures, test equipment, or other items are required specifically and solely for performance of the **WilliamsRDM** Purchase Order and for which the cost of such items has been included in computing the price of the deliverables specified in the **WilliamsRDM** Purchase Order shall, upon payment thereof, become the property of **WilliamsRDM**. All such property shall be segregated from Seller's property and adequately identified as **WilliamsRDM** property while in Seller's custody or control. Such property shall be used at Seller's risk and be kept insured at Seller's expense in an amount equal to the replacement cost with loss payable to **WilliamsRDM**. Such property shall be returned to **WilliamsRDM** upon demand in the same condition as originally received, reasonable wear and tear excepted. **WilliamsRDM** shall have no obligation to furnish or pay for tools, dies, jigs, or equipment of any kind required for Seller's performance of the **WilliamsRDM** Purchase Order, unless otherwise stated in the **WilliamsRDM** Purchase Order.

24. RATED ORDER

If a Defense Priorities and Allocations System (DPAS) priority rating appear on the first page of the the **WilliamsRDM** Purchase Order, the **WilliamsRDM** Purchase Order is a rated order certified for national defense use and the Seller is required to follow all the provisions of the DPAS regulation (15 CFR 700).

25. REMEDIES AND WAIVERS

The rights and remedies of the parties set forth in the **WilliamsRDM** Purchase Order are cumulative and in addition to any other rights or remedies that they may have at law or in equity. No waiver of a breach of any provision of the **WilliamsRDM** Purchase Order shall constitute a waiver of continuing or future breach of such provision or of any other provisions herein.

26. RETENTION

Seller shall keep on file records reflecting that all materials and finished items were controlled and tested in accordance with and met the specifications detailed on the purchase order. Such records shall be available for **WilliamsRDM** examination. Records shall be retained 7-years after final payment. Records may be kept in electronic or hard copy form. Records shall be maintained for the retention period in a manner that prevents damage from fire, moisture, pests, or other deteriorating effects. Supplier shall notify **WilliamsRDM** buyer if conformance to this requirement cannot be met. **WilliamsRDM** shall be notified thirty days prior to destruction of documentation related to **WilliamsRDM** orders.

27. SMALL BUSINESS AND SMALL DISADVANTAGED BUSINESS SUBCONTRACTING PLAN

Pursuant to FAR Part 19, if the Seller submitted or is otherwise required to have a Small Business and Small Disadvantaged Business Subcontracting Plan in connection with the award of the **WilliamsRDM** Purchase Order, such plan is incorporated by reference. This Article is applicable only to orders over \$500,000 to large businesses.

28. TERMINATION FOR CONVENIENCE

If The **WilliamsRDM** Purchase Order is for supplies or services in support of a Government contract, **WilliamsRDM** reserves the right to terminate performance of work under the **WilliamsRDM** Purchase Order, in whole or in part, under the provisions of FAR 52.249-2 (Termination for Convenience of the Government) except for paragraphs (c) and (i), or DFARS 252.211-7000 (Termination--Commercial Items), in effect on the date of the **WilliamsRDM** Purchase Order and as incorporated by reference hereto. The period for submitting Seller's termination settlement proposal is reduced to six (6) months and for requesting an equitable adjustment to forty five (45) days.

29. TERMINATION FOR DEFAULT

(A) **WilliamsRDM** may, by written notice to Seller, cancel the **WilliamsRDM** Purchase Order in whole or in part –

- (i) if Seller fails to deliver goods or to perform services within the time specified by the **WilliamsRDM** Purchase Order or any duly authorized written extension;
- (ii) if Seller fails to perform any other provision of the **WilliamsRDM** Purchase Order or fails to make progress, so as to endanger any other provision of the **WilliamsRDM** Purchase Order, and, in either of these two circumstances, does not cure the failure within ten (10) days after receipt of notice from **WilliamsRDM** specifying the failure; or
- (iii) in the event of Seller's suspension of business, insolvency, institution of bankruptcy, liquidation proceedings by or against Seller, appointment of a trustee or receiver for Seller's property or business, or an assignment, reorganization or arrangement by Seller for the benefit of its creditors.

(B) Seller agrees to continue work not cancelled.

(C) If **WilliamsRDM** cancels the **WilliamsRDM** Purchase Order in whole or in part, in addition to remedies provided by law, **WilliamsRDM** may require Seller to transfer title and deliver to **WilliamsRDM**, as directed by **WilliamsRDM**, any

- (i) completed goods, and
- (ii) any partially completed goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereafter collectively "manufacturing materials") that the Seller has specifically produced or acquired for the cancelled portion of the **WilliamsRDM** Purchase Order. Upon direction from **WilliamsRDM**, Seller will also protect and preserve property in its possession in which **WilliamsRDM** or the Government has an interest.

(D) **WilliamsRDM** will pay the contract price for goods or services accepted. Payment for manufacturing materials accepted by **WilliamsRDM** and for the protection and preservation of property will be at a price determined in accordance with Article 8 above, except that Seller will not be entitled to profit. **WilliamsRDM** may withhold from any amount due under the **WilliamsRDM** Purchase Order any sum **WilliamsRDM** determines necessary to protect **WilliamsRDM** or the Government against loss because of outstanding liens or claims of former lien holders.

(E) If, after cancellation, it is determined that Seller was not in default, the rights and remedies of the parties will be as if The **WilliamsRDM** Purchase Order had been terminated in accordance with Article 26 above.

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30. WARRANTY

(A) To the extent supplies or services furnished under the **WilliamsRDM** Purchase Order are covered by a commercial warranty, the Seller agrees to provide no less than the most favorable commercial warranty the Seller provides to any customer for such supplies or services. The Seller shall provide the Buyer with a copy of the warranty for inclusion in the **WilliamsRDM** Purchase Order's official file records.

(B) For supplies or services that are not covered by a commercial warranty, the Seller warrants that all articles, including components and raw materials therein, will conform with all pertinent design or performance specifications or drawings, and will be free from defects in material and workmanship, including latent defects, for a period of eighteen months after final acceptance by **WilliamsRDM** or one (1) year after **WilliamsRDM** delivers the end item to its customer, whichever is earlier.

When correction or replacement of defective goods is required by **WilliamsRDM**, Seller shall proceed with reasonable promptness to perform such correction or replacement at Seller's expense, including transportation. Seller's warranty shall survive acceptance and payment by **WilliamsRDM** and shall run to **WilliamsRDM**, its successors, assigns, and customers. The Seller shall not be held responsible for consequential damages.

Should Government flowdown clauses be applicable to this Purchase Order, then Attachment A shall be attached, and those clauses noted within the Purchase Order shall apply.