

**PURCHASE ORDER GENERAL TERMS AND CONDITIONS**  
**Applicable to Williams-Pyro, Inc. Purchase Orders**

**1. ACKNOWLEDGMENT**

Written acknowledgment of the WPI 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 WPI Buyer designated on the front page of the WPI Purchase Order.

**2. ASSIGNMENT**

Seller shall not assign or sublet the work to be done hereunder without prior WPI written consent, but this provision shall not restrict Seller in the procurement of components, parts, or materials unless specified elsewhere in the WPI Purchase Order or its attachments. If Seller is not a manufacturer, Seller agrees to require compliance with all the provisions of the WPI Purchase Order by its manufacturer the same as though such manufacturer was the Seller hereunder and if the WPI Purchase Order is terminated for WPI convenience under Article 8 above. All claims for money due or to become due from WPI shall be subject to deduction for any set-off, recoupment or counterclaim for any present or future claim which WPI 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 WPI Purchase Order or other duly authorized representative(s) designated by WPI shall be authorized to redirect the effort or in any way amend any part of the WPI Purchase Order.

**4. CERTIFICATIONS AND REPRESENTATIONS**

All certifications and representations, which the Seller has submitted to WPI in connection with the award of the WPI Purchase Order, are incorporated by reference and have been relied upon by WPI as part of the basis on which the WPI Purchase Order was awarded. Seller agrees to advise WPI 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**

WPI 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 WPI Purchase Order. To the extent feasible, any impact of the change required on the WPI 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 WPI 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 WPI 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 WPI Purchase Order.

**7. DEFINITIONS**

Material Safety Data Sheet = MSDS  
Purchase Order = PO  
Seller = Contractor, Supplier, Vendor  
Williams-Pyro, Inc. = WPI  
Written = Electronic Mail, Facsimile, Hard Copy Format

**8. DELIVERY**

WPI 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 suppliers expense. Should it be necessary, partial shipments and payments are permitted as long as the WPI 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 WPI Purchase Order, WPI may, by written notice or Change Order to Seller, claim an equitable adjustment, terminate the WPI 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 WPI Purchase Order by mutual agreement. If an agreement can not be reached, the parties shall be free to exercise any legal or equitable remedies which may be available under the WPI 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 WPI Purchase Order (except with respect to any cancellation or termination of effort), the Seller shall proceed diligently with the performance of the WPI 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 performing hereunder if such delay or

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 WPI 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 WPI PO, then an Attachment will be added to the WPI 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 WPI 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 WPI Purchase Order, shipment of product is NOT withheld nor is prior authorization to ship required.

(b) By acceptance of the WPI 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 WPI 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 WPI premises at the Seller's expense.

**14. INDEMNIFICATION**

The Seller shall indemnify, defend, protect, and hold harmless WPI, 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 work performed are subject to final WPI inspection and acceptance at WPI facility unless specified elsewhere in the WPI Purchase Order.

- (a) Title will not pass from the Seller to WPI until final acceptance by WPI.
- (b) Any deliverable found to be in noncompliance prior to acceptance shall be returned, at the Seller's expense, for repair or replacement.
- (c) WPI 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 WPI. Seller shall keep confidential all specifications, drawings, tooling or any other data and/or information furnished by WPI and/or WPI's customer(s) or prepared by Seller specifically in connection with the performance of the WPI 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 WPI and except as required for Seller's adequate performance of the WPI Purchase Order. At the request of WPI, Seller shall promptly deliver to WPI all drawings, specifications, tooling and/or other data and/or papers furnished by WPI and/or WPI'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 WPI prior written consent.

**17. ORDER ACCEPTANCE**

The WPI 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 WPI PO shall be void and of no effect unless specifically agreed to by WPI, in writing, and incorporated into the WPI

**PURCHASE ORDER GENERAL TERMS AND CONDITIONS**  
**Applicable to Williams-Pyro, Inc. Purchase Orders**

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

**18. ORDER OF PRECEDENCE**

Should any of the various parts of the WPI Purchase Order be 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 WPI Purchase Order by reference.

**19. PACKAGING AND PACKING**

Unless specified otherwise in the WPI 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 WPI. The Seller shall mark all packages with the the WPI Purchase Order number and, as applicable, any appropriate hazardous material notices pursuant to Article 12 above.

**20. PAYMENTS**

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

**21. PRICE**

Unless specified elsewhere in the WPI Purchase Order, all prices indicated are firm fixed price. Articles shipped may not be invoiced at higher prices than shown on the WPI Purchase Order. Seller warrants and represents that the price or prices specified in the WPI 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 WPI 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 WPI in connection with the WPI Purchase Order shall be and remain the property of WPI and shall not be used in any manner for any party other than WPI. Further, in the event unique tools, dies, jigs, fixtures, test equipment, or other items are required specifically and solely for performance of the WPI Purchase Order and for which the cost of such items has been included in computing the price of the deliverables specified in the WPI Purchase Order shall, upon payment thereof, become the property of WPI. All such property shall be segregated from Seller's property and adequately identified as WPI 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 WPI. Such property shall be returned to WPI upon demand in the same condition as originally received, reasonable wear and tear excepted. WPI shall have no obligation to furnish or pay for tools, dies, jigs, or equipment of any kind required for Seller's performance of the WPI Purchase Order, unless otherwise stated in the WPI Purchase Order.

**24. RATED ORDER**

If a Defense Priorities and Allocations System (DPAS) priority rating appear on the first page of the The WPI Purchase Order, the WPI 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 WPI 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 WPI Purchase Order shall constitute a waiver of continuing or future breach of such provision or of any other provisions herein.

**26. 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 WPI Purchase Order, such plan is incorporated by reference. This Article is applicable only to orders over \$500,000 to large businesses.

**27. TERMINATION FOR CONVENIENCE**

If The WPI Purchase Order is for supplies or services in support of a Government contract, WPI reserves the right to terminate performance of work under the WPI 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 WPI 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.

**28. TERMINATION FOR DEFAULT**

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

- (i) if Seller fails to deliver goods or to perform services within the time specified by the WPI Purchase Order or any duly authorized written extension;
- (ii) if Seller fails to perform any other provision of the WPI Purchase Order or fails to make progress, so as to endanger any other provision of the WPI Purchase Order, and, in either of these two circumstances,

does

- not cure the failure within ten (10) days after receipt of notice from WPI 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 WPI cancels the WPI Purchase Order in whole or in part, in addition to remedies provided by law, WPI may require Seller to transfer title and deliver to WPI, as directed by WPI, 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 WPI Purchase Order. Upon direction from WPI, Seller will also protect and preserve property in its possession in which WPI or the Government has an interest.

(D) WPI will pay the contract price for goods or services accepted. Payment for manufacturing materials accepted by WPI 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. WPI may withhold from any amount due under the WPI Purchase Order any sum WPI determines necessary to protect WPI 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 WPI Purchase Order had been terminated in accordance with Article 26 above.

**29. WARRANTY**

(A) To the extent supplies or services furnished under the WPI 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 WPI 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 WPI or one (1) year after WPI delivers the end item to its customer, whichever is earlier.

When correction or replacement of defective goods is required by WPI, 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 WPI and shall run to WPI, 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.