	Terms and Conditions of Sale	Document Number 118-011-00	Revision 5
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Document Approved By:	Title Owner – V.P. Sales and Marketing	Name Karsten Lemmon	Date Approved January 4, 2017

- 1. General:** Unless otherwise specifically agreed in writing, signed by an authorized employee of Onboard Systems (hereafter “Seller”), these Terms and Conditions of Sale (“Agreement”) shall apply to all sales of goods and services (“Product”) between the Seller and purchaser of the Product (hereafter “Buyer”).
- 2. Offer and Acceptance:** Seller’s quotation, acknowledgement, pro-forma or invoice constitutes Seller’s offer to sell solely in accordance with the exact terms and conditions hereof, and supersedes all previous written and oral quotations, representations and/or agreements. Acceptance can be made by Buyer by any commercially reasonable means, including Buyer’s issuance of an order, acceptance of Seller’s quotation, and acceptance of Products provided hereunder, acknowledgement or return of Seller’s acknowledgement form or by electronic transmission.

Acceptance hereof by Buyer is expressly limited to the exact terms hereof. If Buyer shall use its own purchase order or other form to order from Seller, such form shall be used for convenience only and shall evidence Buyer’s unconditional agreement to these terms and conditions. Any inconsistent or additional terms or conditions contained therein are expressly objected to by Seller.


- 3. Pricing:** The prices stated do not include state, federal or other governmental excise, sales, use taxes, import, export, or customs taxes, fees or expenses if any. All such taxes, fees and expenses in effect or hereafter levied which are applicable to the sale of the goods, are in addition to such prices and will be paid by Buyer. Prices include standard commercial packaging and any requirements for special packaging will be in addition to such prices. Buyer shall have no right to access Seller’s cost or pricing data or other financial books and records. Prices are not subject to verbal changes or other agreement unless approved in writing by the Seller. Prices are based on conditions existing on the date of quotation and are subject to change by the Seller before final acceptance.
- 4. Reservation of Ownership:** Title and ownership of the goods sold to the Buyer shall remain with the Seller until the purchase price thereof has been paid in full. However, all risks and obligations relating to the possession and ownership of the goods shall be assumed by the Buyer as and from the delivery of the Product.
- 5. Payment:** Buyer’s obligation to make full and timely payment for each shipment will be without rights of set-off. It is the Buyer’s obligation to pay within the payment terms agreed to at the time of purchase and as stated on the final invoice. Invoices that are delinquent over 15 days are subject to a service charge of 1.5% per month until paid (APR 18%). The expense of collecting past due accounts, including attorney fees and court costs, shall be paid by the Buyer.
- 6. Standard Product Warranty:** Seller warrants all Products to be free from defects due to faulty workmanship or material for a period of twelve (12) months from the date of delivery to Buyer.

Seller neither expressly nor impliedly warrants against defects in design, workmanship and material of parts or materials supplied by others and utilized by Seller in such Products. Seller shall give to Buyer (insofar as it is assignable) the benefits of any express written warranties given to Seller by such manufacturer or other vendors. Seller shall have no obligation to process any warranty claim against such manufacturer and supplies for the benefit of Buyer.

Seller neither expressly nor impliedly warrants, or makes any representation whatsoever, as to service life of such Products since conditions of usage and experienced service life are neither within the control of nor knowledge of Seller.

This warranty shall apply only on the condition that:

- Buyer delivers written notice of its claim under this warranty to Seller within such warranty period, but not later than fifteen (15) days after discovery of the defect which is the basis for its claim;

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- Buyer delivers such Product to Seller at its plant, FOB Vancouver, WA, USA within thirty (30) days after such written notice;


Seller determines (in its sole discretion) that such Products are defective and have not been subject to accident, unintended usage, abuse or misuse, and have been installed, operated and maintained in accordance with the Seller's certifications, recommendations, manuals, instructions and specifications; and

The Products have not been the subject of a replication (i.e., reverse engineering) program, either formal or informal, sponsored or supported by a Government or other entity.


The obligations and liabilities of Seller under this Warranty are expressly limited to the replacement or the repair by Seller (in its sole discretion) of such Products, and shall not include any transportation, removal or reinstallation costs incident to such correction or replacement.

THE WARRANTIES PROVIDED BY SELLER ARE EXCLUSIVE AND IN SUBSTITUTION FOR, AND SELLER HEREBY DISCLAIMS, AND BUYER HEREBY WAIVES, ALL WARRANTIES AND LIABILITIES OF SELLER AND ALL CLAIMS AND REMEDIES OF BUYER, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, WITH RESPECT TO ANY DEFECT IN ANY PRODUCTS, INCLUDING, WITHOUT LIMITATIONS, ANY (A) IMPLIED WARRANTY FOR MERCHANTABILITY OR FITNESS FOR USE OR FOR A PARTICULAR PURPOSE, (B) ANY IMPLIED WARRANTY ARISING FROM COURSE OF DEALING OR PERFORMANCE OR USAGE OF TRADE, (C) RECOVERY BASED UPON TORT, WHETHER OR NOT ARISING FROM SELLER'S NEGLIGENCE, AND (D) ANY RECOVERY BASED UPON DAMAGED PROPERTY, OR OTHERWISE BASED UPON DAMAGED PROPERTY, OR OTHERWISE BASED UPON LOSS OF USE OR PROFIT OR OTHER INCIDENTAL OR CONSEQUENTIAL DAMAGES. THIS WARRANTY SHALL NOT BE EXTENDED, ALTERED OR VARIED EXCEPT BY A WRITTEN INSTRUMENT SIGNED BY SELLER AND BUYER. IN THE EVENT THAT ANY PROVISION HEREOF SHOULD FOR ANY REASON BE HELD INEFFECTIVE, THE REMAINDER OF THIS WARRANTY SHALL REMAIN IN FULL FORCE AND EFFECT.

- 7. Termination; Changes:** Buyer may not terminate an order without the prior written consent of Seller. If Seller consents to such termination, reasonable termination charges computed by Seller may be assessed in connection with such termination. Any changes requested by Buyer to an Order will be subject to the consent of Seller and to an equitable price adjustment as determined by Seller.
- 8. Returns:** A return merchandise authorization (RMA) number must be issued by Seller for all returns. Credit will not be issued for custom build items. Only unused, stock items, in re-sellable condition, with a purchase date of one month or less will be considered for credit and a 5% restocking charge will apply. All returns must be shipped to Seller freight prepaid.
- 9. Delivery:** Unless other specifically agreed in writing by Seller, all goods are sold Ex Works Seller's plant. The cost of transportation, handling, brokerage, insurance, taxes and duties and risk of loss to the Products is to be borne by the Buyer. All delivery and shipping dates are estimates only. Seller will use reasonable efforts to fill an order in accordance with the estimated delivery or shipping dates, but Seller will not be responsible for any delays in filling an order nor liable for any losses or damages resulting from such delays.
- 10. Export Compliance:** Products and related technology sold by Onboard Systems are subject to export control regulations of the United States. Buyer shall comply with such export laws and obtain any license or permit required to transfer, export, re-export or import the Products and related technology. Buyer shall not export or re-export the Products and related technology to any country or entity to which such export or re-export is prohibited, including any country or entity under sanction or embargoes administered by the United States. Buyer shall not use the Products and related technology in relation to chemical, biological or nuclear weapons, rocket and missile systems or in the development of any weapons of mass destruction.

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- 11. Force Majeure:** Seller shall not be liable for any failure to perform its obligations under this Agreement resulting directly or indirectly from or contributed to by any acts of God, acts of Buyer, acts of government or other civil or military authorities, priorities, strikes, or other labor disputes, fires, accidents, floods, epidemics, war, riot, embargoes, delays in transportation, lack of or inability to obtain raw materials, components, labor, fuel or supplies, or other circumstances, whether similar to or dissimilar from those enumerated, beyond Seller's reasonable control.
- 12. Breach and Financial Conditions:** If any of the Buyer's obligations to Seller under any contract are not fulfilled or if the Buyer's financial condition at any time does not in Seller's unfettered judgment justify continuance of the contract on the terms of payment specified, Seller may, without prejudice to any other rights it may have, by notice in writing, cancel any outstanding order or suspend any deliveries of Product unless the Buyer makes such payment for any of the Products ordered as Seller may require.
- 13. Non-Replication:** BUYER SHALL NOT USE SELLER'S TECHNICAL DATA AND/OR SOFTWARE, IN WHOLE OR IN PART, OR SELLER'S PRODUCTS, TO COPY, REDESIGN, REVERSE ENGINEER, REPLICATE OR MANUFACTURE (OR ENABLE MANUFACTURE BY ITSELF OR ANY THIRD PARTY) THE PRODUCTS OR ANY PORTIONS THEREOF, PRODUCTS SIMILAR THERETO OR PRODUCTS DERIVED THEREFROM, WITHOUT SELLER'S EXPRESS WRITTEN PERMISSION. THE PRICE FOR THE PRODUCTS DOES NOT INCLUDE ANY SUCH DATA, INFORMATION OR REPLICATION RIGHTS.
- 14. Patent Indemnity:** If any Product manufactured by Seller and furnished under this Agreement is to be made in accordance with drawings, samples or manufacturing specification designated by Buyer, Buyer agrees to indemnify and hold Seller harmless from any and all damages, costs and expenses (including attorney's fees) relating to any claim from the design, distribution, manufacture or use of the Product or arising from the claim that such Product furnished to Buyer by Seller, or the use thereof, infringes any patent, foreign or domestic, and Buyer agrees at its own expense to undertake the defense of any suit against Seller brought upon such claim.
- 15. Binding Arbitration:** All claims and disputes arising under or relating to this Agreement are to be settled by binding arbitration in the State of Washington. Such claims and disputes will be conducted only on an individual basis and not in a class or representative action or as a named or unnamed member in a class, consolidated representative or private attorney general action, unless the Buyer and Seller specially agree to do so in writing following initiation of the arbitration. The arbitration shall be conducted on a confidential basis pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Any decision or award as a result of any such arbitration proceeding shall be in writing and shall provide an explanation for all conclusions of law and fact and shall include the assessment of costs, expenses, and reasonable attorneys' fees. Any award shall be in writing. An award of arbitration may be confirmed in a court of competent jurisdiction.
- 16. Warning:** This Product is intended only for helicopter external load operations in conjunction with certain approved aircraft models as outlined in the applicable owner's manual. This Product is not designed for any other purpose or function. Unapproved use of this Product, including use with unapproved aircraft models or non-aircraft installation, could result in serious injury or death.
- 17. Assignment:** Buyer shall not assign this Agreement, or any rights therein, without the prior written consent of Seller
- 18. Waiver:** The waiver by Seller of any term, provision or condition hereof shall not constitute a waiver of any other term, provision or condition thereof, nor shall such waiver be deemed a waiver of a subsequent breach of the same term or condition.
- 19. Severability:** If any provision of this Agreement, or parts thereof, shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

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- 20. Governing Law:** All matters relating to the interpretation and effect of these Terms and Conditions of Sale shall be governed by the laws of the State of Washington. The parties agree that the United Nations Convention on Contracts for the International Sale of Goods does not apply to this agreement and is strictly excluded.
- 21. Paragraph Headings:** The paragraph headings herein are for convenience only; they form no part of the terms and conditions.
- 22. Complete Agreement:** The complete agreement between Seller and Buyer is contained herein and no additional or different terms and conditions stated by Buyer shall be binding upon Seller unless agreed to in writing.