
	Purchase Order Terms & Conditions	Document Number 131-017-00	Revision 9
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Document Approved By:	Title Owner - General Manager	Name Jason Lemmon	Date Approved October 25, 2011

1. **FORMATION OF AN ORDER.** This Purchase Order (Order) is Buyer's (Onboard Systems Int'l) offer to purchase goods and services (Goods) described in this offer. Seller shall comply with all specifications or requirements stated on the face of this Order.
2. **SCHEDULE.** Seller shall adhere to the shipment, delivery or completion schedules specified in this Order. In the event of any anticipated or actual delay, Seller shall promptly notify Buyer of the reasons for the delay and the actions being taken to overcome or minimize the delay.
3. **PACKING AND SHIPPING.** Seller shall carefully pack the Goods to prevent damage and deterioration. Buyer will charge Seller for damage to or deterioration of any Goods resulting from improper packing. Shipments by Seller must include packing sheets containing Buyer's Order number, Buyer's part number and revision number, line item number, description and quantity of Goods shipped, manufacturer's part numbers and specifications as applicable. Buyer will select the carrier and mode of transportation for shipments where freight costs will be charged to Buyer.
4. **CERTIFICATIONS AND RECORDS.** If required on the Order, Seller shall deliver a certificate of conformance with the Goods that includes Buyer's Order number, Buyer's part number and revision number, description and quantity of Goods shipped, corresponding manufacturer's part numbers and specifications as applicable. Seller shall also deliver manufacturer's certifications, process certifications and records pertaining to the Goods as applicable. PLEASE NOTE THAT SELLER'S INVOICES CANNOT BE PAID IF REQUESTED CERTIFICATIONS AND RECORDS ARE NOT RECEIVED. Sellers shall retain all records not sent to the Buyer, such as manufacturing records, equipment calibration, etc. for at least 10 years.
5. **INVOICES AND PAYMENT.** Seller shall issue a separate original invoice for each delivery that shall include Buyer's Order number, line item number, Buyer's part number, description and quantity.
6. **ACCEPTANCE AND REJECTION.** Seller shall notify Buyer of nonconforming product and make arrangements for approval of nonconforming material. Seller shall notify Buyer of any changes in product and/or processes and obtain approval. If Seller delivers non-conforming Goods, Buyer may at its option and at Seller's expense (a) return the Goods for credit or refund; (b) require Seller to promptly correct or replace the Goods; (c) correct the Goods; (d) obtain replacement Goods from another source. Seller shall not redeliver corrected or rejected goods without disclosing the former rejection or requirement for correction and any corrective action taken.
7. **WARRANTY.** Seller warrants that all Goods furnished under this Order shall conform to all specifications and requirements of this Order and shall be free from defects in materials and workmanship for a period of not less than one year from date of delivery to Buyer. This warranty shall survive inspection, test, acceptance of, and payment for, the Goods.
8. **INDEMNITY AND HOLD HARMLESS.** The Seller shall hold harmless and indemnify the Buyer from and against any and all claims, demands, causes of action, suits or judgments (including costs, expenses and reasonable attorney fees incurred in connection therewith) for the death or injury to any person or for loss of or damage to property arising out of or in connection with the use of the Goods whether or not caused by Buyer's negligence. This indemnity and hold harmless provision shall survive the termination of this purchase Order.
9. **QUALITY CONTROL.** Seller shall establish and maintain a quality control system acceptable to Buyer for the Goods purchased under this Order. Seller shall permit Buyer to review procedures, practices, processes and related documents to determine such acceptability. Sellers shall immediately report to Buyer if a product or article provided by Supplier is found or has subsequently been found to not conform to applicable requirements.

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- 10. RIGHTS OF BUYER'S CUSTOMERS AND REGULATORS TO PERFORM INSPECTION, SURVEILLANCE AND TESTING.** Buyer reserves the right to perform inspections, surveillance and tests and to review procedures, practices, processes and related documents related to quality assurance, quality control and configuration control. This right shall extend to the customers of Buyer, the United States Government, Federal Aviation Administration or other regulatory agency. Seller shall cooperate with any Buyer-directed inspection, surveillance, test or review.
- 11. CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION AND MATERIALS.** If Goods are manufactured with reference to Buyer's proprietary information or materials, Seller agrees that it will not sell or offer such Goods for sale to anyone other than Buyer without Buyer's prior written consent. Seller shall each keep confidential and protect from unauthorized use and disclosure all (a) confidential, proprietary and/or trade secret information; (b) tangible items containing, conveying or embodying such information; and (c) tooling identified as being subject to this clause.
- 12. GRATUITIES.** Seller warrants that neither it nor any of its employees, agents, or representatives have offered or given, or will offer or give, any gratuities to Buyer's employees, agents or representatives for the purpose of securing this Order or securing favorable treatment under this Order.
- 13. FLOW DOWN.** These terms and conditions shall be applicable to all subcontractors and suppliers, and seller shall insert the substance of these terms and conditions in all subcontracts awarded in performance of the Order.
- 14. GOVERNMENT CLAUSES.** Government clauses applicable to this Order are incorporated herein: (a) FAR 52.222-21, Prohibition of Segregated Facilities (Feb 1999), (b) FAR 52.222-26, Equal Opportunity (Mar 2007) (E.O. 11246), (c) FAR 52.222-35, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Sept 2006) (38 U.S.C. 4212(a)), (d) FAR 52.222-36, Affirmative Action for Workers with Disabilities (June 1998) (29 U.S.C. 793), (e) 52.222-54 Employment Eligibility Verification (Jan 2009).
- 15. OVERRIDING TERMS & CONDITIONS.** The terms and conditions of this Order apply to the purchase of Goods from the Seller. Any additional or different terms proposed by the Seller are hereby objected to and shall be of no effect nor in any circumstances binding upon Buyer unless specifically agreed to in writing by an officer of Buyer. Buyer shall not be deemed to have waived any of its rights if it fails to object to provisions appearing on, incorporated by reference in or attached to Seller's terms of sale. Buyer's silence acceptance or delivery of Goods constitutes Seller's acceptance of these purchase terms and conditions.
- 16. GOVERNING LAW.** This Order shall be governed by and construed in accordance with the laws of the state of Washington.