
	Purchase Order Terms & Conditions	Document Number 131-017-00	Revision 15
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Document Approved By:	Title	Name	Date Approved
	Owner - QA Manager	Greg McClure	05/19/2020

- 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 Order.
- 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.
- REVISION LEVEL.** Buyer's Order shall state the revision level of all Goods to be delivered to Buyer's drawing(s) or part number(s). If Buyer's Order is for Goods to industry specifications, the Seller shall refer to document 146-067-00 Material and Process Specification Revision Levels, available on-line at www.onboardsystems.com, for acceptable revision levels for materials and processes.
- 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.
- CERTIFICATIONS AND RECORDS.** 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, at that time contact Onboard Systems for instructions on how to dispose of the records.
- 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.
- 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.
- 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.
- 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.
- 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 and applicable records at any level of the supply chain to determine such acceptability. Sellers shall immediately report to Buyer if Goods provided by Supplier are found or has subsequently been found to not conform to applicable requirements. A supplier will be rated on a combination of quality and delivery. If that rating falls below 85% the supplier will be notified. Suppliers may request their current quality rating.


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11. UNAUTHORIZED MATERIAL SUBSTITUTION. Unauthorized material substitutions are not permitted. An unauthorized material substitution includes any deviation from the engineering definition of a raw material. Engineering definition includes Buyer design drawing and applicable specifications, product specifications, form, size, shape, chemistry, melt method, origin, temper/condition, product testing or surface finish. Alternate materials specified in the engineering definition (and often described as approved material substitutions there in) do not constitute unauthorized material substitution. Contact the Buyer regarding deviations to authorized materials.

- a. **Temper Or Condition Conversion.** Unless specifically authorized by the engineering definition, conversion of a raw material (i.e. heat treat to change the temper or condition of the material) constitutes material substitution of the condition provided by the manufacturer.
- b. **Metallic Raw Materials.** Buyer's engineering drawings may refer to obsolete or superseded specifications covering several forms, thicknesses, widths, etc. of alloy or alloys. The required characteristics of these materials are defined not only by the objective test standards of the specifications, but by the processes/methods by which this final form is achieved. These requirements are often captured in the definitions of the required material forms, and may not be explicitly called out in the detailed requirements. The raw material certification results from both the process used to make it and the tests to verify basic properties. The Seller shall ensure that metallic materials covered by the current or obsolete/ superseded specifications are produced using the standard industry practices designed strictly for the production of stock to the specified thickness, diameter, width or cross sectional area, achieved by thermo- mechanical processing or casting process. Chemical, electrochemical and mechanical methods used for the removal of surface scale or contamination, or the production of the required surface finish, in accordance with the material specification are acceptable. Raw material must not be re-certified with respect to thickness, diameter, width or cross sectional area or product form. Machining or cutting of thicker product or other product forms shall not be supplied in lieu of specified product unless specifically authorized by the Buyer. Raw material certifications for material or parts shall reflect the form and size of the raw material as originally manufactured by the raw material producer.
- c. **Reports.** Raw material certifications shall show clear traceability to the manufacturer(s) of the raw material including ingot source, all thermo-mechanical processing (i.e. forging, rolling, drawing, etc), heat treatment, chemical processing and inspections as required by applicable raw material specifications requirements. Seller shall not disguise the pedigree of material or chain of ownership by removal of a previous suppliers name, nomenclature or identification.

12. TRACEABILITY. The supplier shall establish and maintain traceability of all Goods delivered to Onboard Systems.

- a. Seller shall not deliver counterfeit parts. Seller shall maintain a method of item traceability that ensures tracking of the supply chain back to the manufacturer of all raw material, fasteners, electrical, electronic, and electromechanical parts being delivered per this Order. This traceability method shall clearly identify the name and location of all the supply chain intermediaries from the manufacturer to the Seller, and shall include the manufacturer's batch identification for the item(s) such as date codes, serializations, or other batch identifications. Seller shall promptly replace goods found to be counterfeit with such items acceptable to Buyer.
- b. Sellers shall maintain all data which provides traceability of each component to the raw material from which it was made, including all processing, testing and inspection operations performed during manufacturing operations for a period of 10 years.
- c. Lot traceability number(s) shall be noted on the certificate of conformance provided with each delivered lot.
- d. If more than one manufacturing lot is delivered, parts will be segregated by lot and identified accordingly to assure lot traceability is maintained.

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- 13. 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 and applicable records at any level of the supply chain. 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.
- 14. LIMITED SHELF LIFE MATERIAL:** Limited shelf life Goods shall be clearly identified with a shelf life expiration date. Goods with a limited shelf life shall be delivered with a minimum of 75% of available shelf life remaining. Limited shelf life Goods delivered in multiple quantities shall be from the same batch or lot and have the same expiration date.
- 15. 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.
- 16. 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.
- 17. 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.
Supplier is responsible for ensuring that subcontractors, suppliers and personnel are aware of their contribution to product or service conformity and product safety, and the importance of ethical behavior.
- 18. 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 Veterans (Sept 2010) (38 U.S.C. 4212(a)), (d) FAR 52.222-36, Affirmative Action for Workers with Disabilities (Oct 2010) (29 U.S.C. 793), (e) 52.222-54 Employment Eligibility Verification (Jan 2009).
- 19. 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. Seller's silence, acceptance or delivery of Goods constitutes Seller's acceptance of these purchase terms and conditions.
- 20. GOVERNING LAW.** This Order shall be governed by and construed in accordance with the laws of the state of Washington.