



## Purchase Order Terms & Conditions

### Standard Purchase Order / Contract Terms and Conditions for Imaginetics LLC (“Buyer”)

#### 1. Acceptance of Purchase Order / Contract:

This Purchase Order/Contract shall not bind Buyer until Seller executes an acknowledgement copy hereof or accepts goods or services delivered pursuant to this Purchase Order/Contract. Seller shall be bound by this Purchase Order/Contract and its terms and conditions when it executes and return the acknowledgement or when Seller delivers to Buyer any of the items or services ordered. All specifications, drawings and other performance data submitted to Seller are hereby incorporated in this Purchase Order/Contract. If Seller’s documentation contains any terms, which are inconsistent with these terms and conditions, such items are objected to and these terms and conditions shall prevail.

#### 2. Quality System:

Seller shall provide, upon request, and maintain a Quality System acceptable to the Buyer Purchase Order/Contract requirements. Compliance with the following requirements shall not absolve Seller of providing acceptable product nor preclude subsequent rejection. Seller’s Quality System is subject to review and approval by Buyer and/or Buyer’s Quality Representative during the purchase order/contract duration.

#### 3. Right of Entry:

All items of this Purchase Order/Contract are subject to surveillance, including facilities, equipment, personnel, product, procedures, systems and records at Seller’s facility: such surveillance may be jointly performed by a representative of Buyer and its prime contractor, and/or Federal Aviation Administration (or non-domestic, equivalent agency).

#### 4. Inspection Requirements:

Dimensional inspection of all units, parts or assemblies is required for associated features and indicates acceptance or rejection on applicable certification or packing slip. Upon notification of non-conformance and receipt of a request for corrective action by Buyer, the Seller must respond with fourteen (14) days of noted shipment to Buyer, with cause, corrective and preventive action. Returning non-conformance items does not constitute acceptance by buyer. Individual non-conformances must be adequately identified. Seller shall immediately notify Buyer when discrepancies in the Seller’s process are discovered or suspected which may affect parts or assemblies that Seller has or will deliver.



## Purchase Order Terms & Conditions

### 5. Measuring and Test Equipment Requirements (MTE):

Supplier performing to Purchase Order(s)/Contract(s) from Buyer are expected to maintain a system (e.g. ANSI-Z540.3 or other comparable standard) to control and calibrate MTE according to the Supplier capability. At a minimum, suitable calibration standards, traceable to N.I.S.T., must be maintained by the Supplier, sufficient in kind and type to verify Suppliers MTE is capable of performing accurate measurements to the extent necessary and ensure compliance to Buyer Purchase Order/Contract requirements. Traceable N.I.S.T. calibration certification(s) for the calibration standard(s) must be maintained on file and available for review.

### 6. Engineering Control:

All planning, engineering drawings, sketches, etc. issued with Purchase Order/Contract are of the revision in effect on date of Purchase Order/Contract award. Seller shall keep confidential and protect from disclosure all information and property obtained from Buyer. Unless authorized, Seller shall use Buyer supplied information and property only in the performance and purpose of this Purchase Order/Contract. Upon Buyer's request, and in the event of completion, termination or cancellation of this order, Seller shall return all such information and property to Buyer or make such other disposition as directed.

### 7. Approved Processors:

Special processes including but not limited to heat treat, anodizing, penetrant inspection, chemical milling, magnetic particle inspection, shot peening, and welding shall be performed by customer (process specification owner) approved sources.

### 8. Boeing Approved Processors:

All special processing for parts, sub-assemblies, or assemblies built per Boeing drawings or Source Control documents shall be performed by approved sources listed in the latest revision of Boeing D1-4426, "Approved Process Sources".

### 9. Time Sensitive Material:

Where time sensitive materials are used, Seller shall include on all certifications or packing slips the following:

- a. Type of material
- b. Expiration Date
- c. Lot or batch number



## Purchase Order Terms & Conditions

### 10. Changes:

The Buyer reserves the right at any time to make changes in any one or more of the following:

- a. specifications, drawings, and data incorporated in this contract where items to be furnished are to be specifically manufactured for the Buyer,
- b. Methods of shipment and packing,
- c. Place of delivery and
- d. Time of delivery.

If any such change causes an increase or decrease in the cost for performance of this Purchase Order/Contract, an equitable adjustment shall be made in the contract price or delivery schedule, or both. Any claim by Seller for adjustment under this contract shall be deemed waived unless asserted in writing within ten (10) days from receipt by Seller of the change. Price increase or extensions of time for delivery shall not be binding on Buyer unless evidenced by a Purchase Order/Contract change notice issued and signed by Buyer. Seller also agrees not to make any change in material or design, which would affect the part, or any component thereof.

### 11. Property Furnished to Seller by Buyer:

Unless otherwise agreed in writing, all special dies, molds, patterns, jigs, fixtures and any other property furnished to the Seller by the Buyer, or specifically paid for by the Buyer, for use in the performance of this Purchase Order/Contract shall be and remain the property of the Buyer, shall be subject to removal upon the Buyer's instructions, shall be used only in filling orders from the Buyer, shall be held at the Seller's risk and shall be kept insured by the Seller at the Seller's expense while in the custody or control in any amount equal to the replacement cost thereof, with loss payable to the Buyer. Copies of policies or certificate of such insurance will be furnished to the Buyer on demand.

### 12. Delivery

Time is of the essence in this contract and if delivery of items or rendering of services is not completed by the time promised, the Buyer reserves the right without liability, in addition to its other rights and remedies to terminate this contract by notice effective when received by Seller, as to stated items not yet shipped or service not yet rendered, and to purchase substitute items or services elsewhere and charge the Seller with any loss incurred. Any provision herein for delivery of articles or the rendering of services by installments shall not be construed as making the obligations of the Sellers several. Shipments sent C.O.D. without Buyers written consent will not be accepted and will be at Seller's risk. Timing of delivery and/or performance of the work is of the essence of this purchase order/contract.



## Purchase Order Terms & Conditions

### 13. Warranty:

By accepting this Purchase Order/Contract, Seller hereby warrants that the items and services to be furnished hereunder will be in full conformity with any specifications, drawings and performance data provided by the Buyer of Seller's samples and the items furnished hereunder will be of merchantable quality or fit for the use intended by the Buyer. Seller agrees that this warranty shall survive acceptance of the items. Seller's warranty hereunder shall be in addition to any express warranties of additional scope given to Buyer by Seller.

### 14. Seller Scrap and Rework:

Buyer reserves the right to recovery costs from Seller for administration, rework and scrap products and/or services provided for the Purchase Order/Contract. Buyer has the option to rework salvageable nonconforming products/services or return to Seller for rework. Costs associated with administration, rework and scrap are outlined in the Table below.

Nonconformance Type	Cost Type	Costs
Nonconformance Tag issued to Seller	Administration Fee	\$125.00 USD (or current Administrative Fee)
Nonconformance reworked by Imaginetics	Burdened cost of rework	Value of labor, material, processing services and overhead applied to rework job from the point of nonconformity.
Nonconformances deemed scrap	Cost of scrap	Purchase Order item value & cost of materials and services as applicable.

### 15. Indemnity:

Seller shall indemnify Buyer and hold Buyer harmless from any claims, liability or expenses of any kind arising out of Seller's breach of the Agreement. Seller shall also indemnify Buyer and hold Buyer harmless from any claim of patent infringement relative to goods provided by Seller unless such claim relates to a specification or design provided by Buyer.



# Purchase Order Terms & Conditions

## 16. Compliance with Laws:

In accepting this order, Seller represents that it has and will continue during the performance of this order, to comply with the provisions of all federal, state, and local laws and regulation from which liability may accrue to Buyer from any violation thereof. The Purchase Order/Contract together with any written documents, which may be, attached hereto and/or incorporated by specific reference constitutes the entire agreement between the parties and supersedes all previous communications between them, either oral or written. Washington State Law shall govern this agreement. In the event of a dispute between the parties, it shall be submitted for binding arbitration with the American Arbitration Association and the venue of any arbitration will be in Seattle, Washington. The prevailing party shall be entitled to its costs and reasonable attorney fees.

## 17. Title:

Seller warrants that said merchandise is free and clear of all liens and encumbrances whatsoever and that Seller has a good and marketable title to same and Seller agrees to hold Buyer free and harmless against any/all claimants to this merchandise.

## 18. Tax:

Items purchased under the Purchase Order/Contract by Buyer are for resale, not subjected to Washington State and local sales or use tax unless specified in the body of the Purchase Order/Contract.

## 19. Revision History:

Rev.	Description	Date	Author
New	Original	2003	Unknown
A	Updated to standard QMS format, revised Section 5 Title, removed obsolete standard MIL-STD-45662, added ANSI-Z540.3. Added Section 14 "Seller Scrap and Rework"	04/27/15	S. Wix

## 20. Seller Acknowledgement:

The undersigned acknowledges receipt of these Purchase Order/Contract Terms and Conditions as an authorized representative of the Seller.

Date: \_\_\_\_\_

Seller Representative Name: \_\_\_\_\_

Seller Representative Signature: \_\_\_\_\_