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Purchase Order Terms and Conditions

1. DEFINITIONS

'The Company' and or 'The Buyer' means TFI Aerospace.

'The Supplier' and or "The Seller" means the person, firm, company or corporation that TFI is purchasing goods from.

'Goods' means the parts or any item described on an order,

'Order' means an offer made by the customer for the manufacture and/or supply to it of goods by the company.

'The Price' means the price the goods or services prevailing at the time of delivery.

'PO' means Purchase Order.

2. GENERAL

These Terms and Conditions shall exclusively govern the Contract. The Seller recognizes that they took notice of them and had the opportunity to negotiate them. Any shipment of Goods and/or performance of Services by Seller shall be deemed to be solely governed by the Terms and Conditions contained or referenced herein, except to the extent that an authorized representative of Buyer may otherwise expressly consent in writing.

SUPPLIERS ARE REQUIRED TO:

- Supplier must comply with all purchase order requirements including the applicable TFI Aerospace customer's flow down requirements.
- Provide processes, products and services that conform to PO requirements.
- Install appropriate controls to their direct and sub-tier external providers, to ensure that PO requirements are met.
- Maintain all records pertaining to TFI Aerospace for a minimum of thirteen (13) years.
- Assure that supplier's sub-tier suppliers hold a current NADCAP certification when performing special processes on TFI Aerospace product. (When specified on PO).
- Notify TFI Aerospace of changes to processes, products, or services, including changes of their suppliers or location of manufacture, and obtain TFI Aerospace approval. Competence, including any required qualification of personnel. Interaction and communication with TFI Aerospace.
- Perform the applicable testing, inspection and verification of product and services. To use the applicable statistical techniques for product acceptance and related instruction for acceptance by TFI Aerospace.
- Implement a quality management system that will need to be approved by TFI (When required).
- Prevent the use of counterfeit parts.
- Bring awareness to personnel regarding:
 - Their contribution to product or service conformity;
 - Their contribution to product safety;
 - The importance of ethical behavior.
- Supplier performance: Supplier will be monitored and evaluated for quality and delivery performances on a regular basis.

3. ACCEPTANCE OF PURCHASE ORDER

Acceptance of the Purchase Order by Seller implies unreserved acceptance of these Terms and Conditions. Acceptance of the PO in its entirety shall be made by Seller in writing, within fourteen (14) calendar days of the PO's receipt, unless otherwise stated in the PO. Seller's failure to reply or acknowledge the PO within fourteen (14) calendar days period of receipt or performance of the PO shall constitute unreserved acceptance of the Contract. Nevertheless, Buyer is entitled to cancel at no cost any PO within three (3) calendar days following the date of sending of the PO without incurring any liability whatsoever.

4. DELIVERY



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Delivery is of the essence in the Contract and shall be in strict compliance with the schedule and quantities contained in the PO. Goods contained in the PO shall be delivered to the location specified in the PO.

If Seller encounters or anticipates difficulty in meeting the delivery schedule specified on the PO, Seller shall immediately notify Buyer in writing, giving pertinent details, the reasons for the delay, the actions being taken to overcome or minimize the delay, and provide Buyer with a written recovery schedule, provided however that such data shall be for informational purposes only and shall not be construed as a waiver by Buyer of any delivery schedule, date, of any rights, or remedies provided by law and/or the Contract.

In case Seller fails to meet its scheduled delivery dates, and Buyer calls for expedited shipments to avoid or minimize delay to the maximum extent possible, Seller will pay the associated additional costs.

Seller shall not deliver Goods and/or perform Services prior to the scheduled delivery dates unless authorized in writing by Buyer. Buyer reserves the right, without loss of discount privileges, to pay invoices covering Goods shipped in advance of the schedule after the date specified for delivery and only after successful acceptance testing has been accomplished by Buyer.

All Goods to be delivered hereunder shall be packaged to ensure safe arrival at their destination, to secure the best transportation means and to comply with the applicable local laws and with requirements of common carriers. Seller shall ensure that Goods are shipped with: the documents in compliance with all applicable standards and regulations at the date of delivery, the certificate of conformity in compliance with Buyer's instruction, the necessary documentation for the proper use, storage and maintenance thereof, shipping memos or packing list, and more generally any document required by Buyer.

Seller shall maintain at all times (in written or recorded form) an effective system for the traceability of the Goods including, without limitation, technical means which enable to identify the relevant manufacturer and batch number of the said Goods and undertakes to provide Buyer with all such information.

5. INSPECTION

Buyer, its customers, any other higher tier contractor, or duly empowered public authorities, may access any document, audit, supervise or examine the work to be performed under the Contract. Seller shall assist and grant Buyer access to its premises as well as its subcontractors' premises. At Buyer's request, Seller shall maintain a safe environment and appropriate inspection quality system. Any costs incurred by this supervision and any measures required shall be borne by Seller. Seller undertakes to provide all information, facilities and assistance necessary to Buyer during the inspection. Buyer shall be entitled to inspect Goods and/or Services referenced in the PO at all reasonable times and places, from acceptance of the PO to the shipment of the Goods. The right of inspection covers without limitation: materials, components, work in process and documents.

6. PRICES

Unless otherwise specified, prices are fixed as specified in the PO. PO shall include all applicable taxes and customs duty. No charges will be allowed for packing, crating, drayage or storage. Any price reduction after placement of the PO but prior to payment shall apply to the PO.

7. PAYMENT

The invoice for each delivery must be sent to the Buyer's address specified in the PO within five (5) calendar days of the delivery date. Seller shall be paid by bank transfer, according to the payment terms as stipulated in the PO, and upon submission of properly prepared invoice in accordance with Buyer's instructions for Goods and/or Services delivered to and accepted by Buyer. Any adjustments due to shortages, rejection or other failure to comply with the provisions of the Contract may be made by Buyer before payment. Delays in receiving an invoice, errors or omissions on an invoice, or lack of supporting documentation required by the PO, will be cause for withholding payment without losing applicable discounts. Without prejudice to any other right or remedy, and to the extent permissible by law, the Buyer reserves the right to set off any amount owing at any time from the Seller to the Buyer against any amount payable by the Buyer to the Seller. If the Buyer makes an advance or a down payment and the PO includes a price revision clause, the price of the Goods and/or Services will be fixed for the part of the PO concerned



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by such advances and down payments. Any request for advance or down payment for more than ten thousand (\$10,000) requires a bank guarantee.

8. SELLER'S QUALITY MANAGEMENT

Seller shall have an effective quality system which meets the quality requirements applicable to the suppliers as stated in the Supplier Quality Manual released to the Supplier by the Purchaser upon request. The Supplier Quality Manual shall be applied to establish the control of processes and products that have an effect on product or the product realization process, for airworthy products. In addition, Seller shall verify the integrity and applicability of the procurement plan sent by Buyer prior to inputting the information of demand/purchase into their production management system, in particular through an industrial risk analysis methodology, inventory and production capacity policy and a monitoring policy of subcontractors with specific recovery plan.

9. OBSOLESCENCE

Obsolescence shall be the characteristic of Goods, any part of the Goods and/or Services, which has been taken out of production and cannot be purchased on the market, or the use of which has been announced as being or to be restricted, forbidden by an Aviation Authority notice or a Service Bulletin (hereinafter "Obsolescence"). In case of Obsolescence, Seller shall source, at no cost and without operational impact to Buyer, a suitable replacement, for the said obsolete Goods and/or Services. This replacement shall be made available without disrupting or discontinuing Buyer provisioning and be interchangeable in fit, form, function and if applicable aesthetics. Seller shall notify Buyer of the risk of obsolescence as soon as Seller has knowledge of such risk. Seller will do its best efforts to take back all obsolete stocks already paid by Buyer.

10. CHANGES

The supplier is required to notify The Buyer of any changes in product definition. Buyer may at any time by a written notice, and without notice to sureties or assignees, make changes to the PO and Seller agrees to accept such changes. If any such changes cause an increase or decrease in the cost of, or the time required for the performance of any part of the work under the PO, or affects any other provisions of the PO, an equitable adjustment shall be made in the price or delivery schedule, or both, and in such other provisions of the PO and the Contract as may be affected. The PO shall be modified in writing accordingly. Any claim for adjustment by Seller under this paragraph shall be asserted within twenty (20) calendar days from the date of receipt of the written notice directing the change provided, that Buyer acknowledges such claim prior to final payment of the PO. Failure to agree to any adjustment shall be a dispute as per below category Applicable Law and Dispute Resolution. However, nothing in this paragraph shall excuse Seller from proceeding with the PO as changed. Any action taken by Seller which affects any provision of the PO, including delivery and price, whether or not accomplished with the concurrence of Buyer's employees, shall not entitle Seller to an equitable adjustment in accordance with this paragraph unless such action has been specifically directed by Buyer's written notice.

In addition, Seller shall inform diligently Buyer under written form of any Change, a Change being defined as a change in the operational sequence or in the process of Seller. Such change may include, but is not limited to: a new or a modified process flow, new or modified equipment, or any transfer of the production by Seller to another plant or another Seller. No Change shall be implemented by Seller without the prior written consent of Buyer. Depending on the impacts of the Change, Buyer may decide to launch a new qualification process and/or Buyer may undergo a new qualification process by its own customers. If, at any time during the Contract, Seller is able to propose a change to the technical specifications or to manufacturing process of the Goods, which reduces the cost of the Goods, the Parties shall mutually agree on the associated savings, which savings shall be reflected as a reduction in the price of the Goods and /or Services. After discussions between both Parties, Buyer will inform Seller about all costs associated with or resulting from a Change which may be borne by Seller.

11. STOP WORK ORDER

Buyer may at any time, by written notice, require Seller to stop all or any part of the work to be performed under any PO for a period up to ninety (90) calendar days after the notice is delivered to Seller



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("Stop Work Order"). Upon receipt of the Stop Work Order, Seller shall immediately comply with its terms and take reasonable steps to minimize the costs allocable to the work covered by the PO during the period of work stoppage. Within the work stoppage period, or within any extension of that period of which the Parties have agreed, Buyer shall either cancel the Stop Work Order, or terminate the work covered by the PO as provided in the "Termination for Default" or the "Termination for Convenience" paragraphs of these Terms and Conditions, whichever may be appropriate. Seller shall resume work upon cancellation or expiration of any Stop Work Order. Buyer and Seller shall negotiate an equitable adjustment in the price or schedule or both if: (i) this Contract is not canceled or terminated; (ii) Seller brings material evidence to Buyer that the suspension results in a change in Seller's cost of performance or ability to meet the PO delivery schedule; and (iii) Seller submits a claim for adjustment within twenty (20) calendar days after the suspension is canceled.

12. TERMINATION FOR DEFAULT

- (a) Buyer may, by written notice of default to Seller and subject to the provisions of below, terminate the whole or any part of the PO and/or of the Contract in any of the following circumstances:
- (i) If Seller fails to perform the PO and/or the Contract within the time specified or any extension thereof. Seller shall be responsible within such extension for any and all additional charges resulting from deviation from Buyer's instructions;
 - (ii) If Seller fails to perform any of the other provisions of the PO and/or of the Contract, or fails to make progress as to endanger performance of the PO and/or the Contract in accordance with its terms, or Buyer anticipates such failure, and Seller does not remedy such failure within a period of thirty (30) calendar days (or such longer period as Buyer may authorize in writing) after receipt of notice of failure from Buyer.
- (b) In the event Buyer terminates the PO and/or the Contract in whole or in part as provided in subparagraph (a) above, Buyer may procure, upon such terms and in such manner as Buyer may deem appropriate, Goods and/or Services similar to those so terminated, and Seller shall be liable to Buyer for any excess costs for the same, and reimburse Buyer for all monies already paid for the performance of the PO and/or the Contract, provided that Seller continues the performance of the PO and/or the Contract to the extent not terminated hereunder.
- (c) If the PO and/or the Contract is terminated as provided in subparagraph (a) above, Buyer may, in addition to any other rights provided in these Terms and Conditions or available under applicable law, require Seller to transfer title and deliver to Buyer or its designee, in the manner and to the extent directed by Buyer:
- (i) Any completed Goods, and
 - (ii) Such partially completed Goods and materials, and contract rights. The price for completed Goods and/or Services delivered to and accepted by Buyer shall that set forth in the PO. The price for manufacturing materials delivered to and accepted by Buyer shall be agreed upon by Buyer and Seller.
- (d) The rights and remedies of Buyer provided in this paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under these Terms and Conditions.
- (e) It is understood and agreed that Seller shall reimburse Buyer for all costs and expenses incurred by Buyer due to Seller's default.

13. TERMINATION FOR CONVENIENCE

Buyer may at any time by written notice terminate all or any part of the PO and/or the Contract at its sole convenience. In the event of such termination, Seller shall immediately stop all work hereunder and shall immediately cause any and all of its suppliers and subcontractors to stop work related to the performance of the PO. Subject to the terms of this Contract, within ninety (90) calendar days after the effective date of termination, Seller may submit to Buyer a claim reflecting the percentage of the work performed prior to the effective date of termination, plus reasonable charges that Seller can demonstrate have resulted from the termination, to the satisfaction of Buyer. Seller shall not be paid for any work performed or costs incurred which reasonably could have been avoided. Further, Seller shall not be paid, and in no event shall Buyer be obligated to pay, lost or anticipated profits or unabsorbed indirect costs or overhead. In no event shall Buyer be obligated to pay Seller any amount in excess of the PO price. The



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provisions of this paragraph shall not limit or affect the right of Buyer to terminate the Contract for default. In any case, Seller shall continue all work not terminated.

14. TERMINATION FOR INSOLVENCY

Seller undertakes to inform diligently Buyer of any change occurring in its share capital, a change of control of Seller's board or shareholdings ("Control"), merger and amalgamation, and in the event of an institution of any proceedings by or against Seller in bankruptcy or insolvency, referred to as "Insolvency Event" (including, but not limited to, official administration, liquidation or an arrangement with its creditors), or the appointment of a receiver or trustee or an assignment for the benefit of creditors of Seller. To the fullest extent permissible by law, Buyer may terminate the PO and/or Contract forthwith if: (a) Seller undergoes a change of Control; (b) Seller suffers an Insolvency Event; (c) Seller ceases or threatens to carry on its business; or (d) the financial position of Seller deteriorates to the extent that at Buyer's discretion the ability of Seller to properly fulfill its obligations under the Contract has been placed in jeopardy. Any termination under this paragraph shall be deemed to be a termination for default in accordance with Article 22 hereabove.

15. WARRANTIES

Seller warrants that all Goods and/or Services furnished pursuant to the PO: (a) will conform to all applicable specifications, instructions, drawings, data, samples or other descriptions furnished or adopted by Buyer, (b) will be merchantable, of good material and workmanship, and free from defect, (c) will be as described and advertised and fit for the intended purposes, (d) will be free from all liens and encumbrances, and (e) will conform with all laws, legal requirements and regulations as stated in these Terms and Conditions. These warranties are in addition to all other warranties expressed, implied or statutory, including the warranty for hidden defects, when applicable. Seller shall indemnify, defend, and hold harmless Buyer from any breach of these warranties and this shall be without prejudice to any other rights or remedies of Buyer under the Contract or at law. Limitations on Buyer's remedies or disclaimers of warranties in documents of Seller shall not be effective and are rejected. All warranties, together with Seller's service warranties and guarantees, if any, shall survive inspection, test, acceptance of, and payment for the Goods and/or Services and shall run to Buyer, its successors, assigns, customers at any tier, and ultimate user and joint users.

In the event of Goods with a limited storage life or material being supplied, the Seller must specify: (a) the measures required to ensure storage in good condition, (b) the total period of validity of the Goods, before use, counting from the date of manufacture; and (c) the use expiry date, affixed appropriately and indestructibly to the part of the packaging directly containing, bearing or protecting the Goods. Seller shall ensure that in relation to the expiry date of the Goods, Buyer will benefit from at least eighty percent (80%) of the total life expectancy.

16. COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

Goods and/or Services shall comply with all laws and regulations applicable to the Goods and/or Services covered by the PO, including but not limited to: (i) all applicable national and international regulations, laws and rules relating to anti-bribery and corporate duty of vigilance, and (ii) all applicable export, re-export and import laws, regulations, decrees, orders and policies of the Canadian Government and the Government of any country in which the Parties conduct business pursuant to the Contract. Seller's employees, representatives and/or agents will comply with all applicable laws and regulations. Seller acknowledges and accepts full and sole responsibility to maintain an environment, health and safety management system appropriate for its business throughout the performance of this Contract. Where applicable Seller shall respect the ISO 9001 principles and will do its best efforts to be certified. Seller shall also respect the AS 6174 principles. Where applicable the Seller may be asked to be DFARS compliant. Where applicable, the supplier must comply with European Regulation (EC) 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals. See Candidate list available at <http://echa.europa.eu/web/guest/candidate-list-table>. Rev. 13 Date: 6/24/19. Seller shall convey the requirement of these clauses to its suppliers. Upon Buyer's request, Seller will furnish certificates of compliance and agrees to provide Buyer all explanatory and factual information Buyer needs to verify such compliance. The Seller will inform diligently the Buyer about (i) any supplied Goods that may fall and/or fall within the



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REACH regulations and, (ii) if any, the corresponding registration number, constraints and recommendations for the safe use of the Goods. Where applicable, the supplier must comply with Article 33 of the REACH Regulation, it requires companies who supply products which include any article which contains more than 0.1% by weight of any REACH Candidate List Substance to provide their customers with “sufficient information, available to the supplier, to allow safe use of the article including, as a minimum, the name of that substance.” <https://echa.europa.eu/authorisation-list>. Seller shall, no later than thirty (30) calendar days following each calendar year in which Seller has delivered any Goods to Buyer under this Contract or otherwise, complete and provide to Buyer a single and comprehensive written statement detailing compliance with the provisions.

17. NON-COMPLIANCE OF GOODS AND/OR SERVICES

Any Good and/or Service which does not comply with the PO specifications will be rejected by the Buyer. Seller shall organize, at its own expense, the return of the defective Goods within fourteen (14) calendar days of the notice of rejection, otherwise Buyer will organize the return of the Goods and/or Services at Seller’s risk and expense. Goods and/or Services rejected by Buyer will be considered as undelivered and will be deducted from the current invoices. Failure to discover defects in Goods and/or Services or payment of Goods and/or Services shall not constitute acceptance thereof or limit any of Buyer’s rights, including without limitation, those under the warranty provisions of the Contract.

On a very exceptional basis, the Buyer agrees to examine requests made by the Seller during the manufacture of a Product and/or performance of a Service for special concessions with respect to the technical specifications and/or the definition. Such requests must reach the Buyer upon the non-conformity being discovered, accompanied by all supporting documents necessary to assess the concession request. If concession is granted, any obligations on the Buyer as a result thereof, such as replacement of the Product and/or modification of the Service, and expenses arising there from, will be borne in full by the Seller. The Buyer reserves the right to demand a price reduction and/or to charge the Seller a fixed fee and any other additional costs, charges or amounts incurred by the Buyer for assessing the concession request. The granting of concession will not discharge the Seller from its obligations or responsibilities, notably with respect to meeting delivery deadlines.

At Buyer’s request, Seller shall: (i) repair or replace defective Goods as soon as possible at its own expense, and/or (ii) rework defective Services as soon as possible at its own expense, without prejudice to Buyer’s rights to indemnification by Seller for all suffered damages. Seller must issue a new invoice for the replaced Goods and/or reworked Services. Warranty on the replaced or repaired Goods will begin upon their acceptance. Late delivery payment will commence from the acceptance of the replaced or repaired Goods and/or the reworked Services.

Seller must take appropriate corrective actions as quickly as possible in the event of serious and/or repeated noncompliance. At the same time, Seller must take all measures to honor the PO with Goods and/or Services that comply with the PO specifications. All costs for checking or supervision performed by Buyer and/or a third party empowered by Buyer will be borne by Seller.

If Seller anticipates any non-compliance potentially affecting delivered Goods and/or performed Services, Seller must immediately inform Buyer, identifying the delivered Goods batches and/or performed Services likely to be affected, specifying the nature of the non-compliance, the consequences thereof, and a list of other customers also informed.

18. LIABILITY

The Seller shall indemnify the Buyer on demand in full against all losses, damages (including, but not limited to, loss or damage to property), liability, claims, costs, fines, penalties and expenses (including reasonable legal and professional advisors fees and expenses whether or not proceedings are brought) awarded against or incurred or paid by the Buyer as a result of or in connection with: (a) the Contract, including any breach of warranty, given by the Seller in relation to the Goods and/or Services whether actual or alleged with reasonable cause and whether or not proceedings are brought; (b) any liability under any safety, health, environment and/or consumer legislation (in Canada) which relates to the subject matter of the PO; (c) any act or omission of the Seller or its employees, agents or sub-contractors in the supply or delivery of the Goods and/or Services; and (d) any claim reasonably made by any customers of the Buyer in



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respect of the Goods and/or Services supplied by the Seller (except to the extent that such liability results from compliance by the Seller with any agreed specification from the Buyer or from negligence on the part of the Buyer or its employees). Seller shall defend, indemnify, and hold harmless Buyer, its officers, employees, agents, representatives, customers, and users of Seller's Goods and Services from and against all demands, claims, damages, loss, or liabilities of every kind and nature (including attorney fees and recall costs) based upon any allegations of, or resulting from the performance or breach to comply with the PO. All obligations of Seller to indemnify, hold harmless, protect and defend are in addition to all other rights or remedies of Buyer and survive acceptance and use of the Goods or Services, payment and completion, termination, or cancellation of the Contract.

Under no circumstances will Buyer be liable for consequential, incidental, or special damages of any kind or for any damages in excess of the price allocable to the portion of the Good and/or Services on which the claim is based. An action on any claim asserted by Seller against Buyer must be commenced within one year after the occurrence of the act on which the claim is based.

19. INSURANCE

Seller shall obtain and maintain during the term of the Contract all insurance policies required under applicable law in respect of the manufacture and/or supply of the Goods and/or performance of the Services including, but not limited to, insurance policies covering personal injury, product liability, physical and consequential damages, whether direct or indirect, in relation to the performance of the PO and in respect of all liabilities, claims, costs and expenses incurred by Buyer due to an act or omission of Seller, its employees, agents and sub-contractors. Such insurance cover must be at least ten million dollars (\$10,000,000) (or equivalent local currency) and Buyer is entitled to request from Seller any additional sum insured and/or specific insurance coverage. The insurance must be taken out by Seller with a reputable international insurance company and Seller must provide the related insurance certificates at any time promptly at the request by Buyer.

20. TOOLING AND DATA:

In case Buyer provides to Seller tooling and/or data (such as but not limited to processes, known-how, special dies and patterns), materials or supplies (hereafter the "Tooling and Data") for the performance of the PO, such Tooling and Data will be stored by Seller under its supervision. These Tooling and Data must be solely used for the performance of the PO. Seller takes all risk and liability of such Tooling and Data, and shall subscribe any relevant insurance for loss or damage thereto, except for normal wear and tear, and shall furnish proof of such insurance on Buyer's request. Seller shall supply to Buyer detailed statements of inventory of such Tooling and Data upon request of Buyer. Seller shall maintain and refurbish of all Tooling and Data at its own costs. These Tooling and Data shall remain Buyer's property and must be identified as such by Seller with permanent markings or small plaques. Any Tooling and/or Data which is at Seller's disposal for the purpose of performance of the PO shall remain subject to the foregoing restrictions on use, reproduction and disclosure. Buyer may, at any time, reimburse Seller for the cost of part or all special tooling paid for by Seller, and upon payment Buyer shall become the owner thereof, and shall be entitled to possession at the completion of the PO, or at such earlier date as the Parties may agree. Tooling and Data shall be subject to removal at any time without additional cost upon Buyer's request. Upon termination of the Contract and upon written request of Buyer, Seller shall either return Tooling and Data received under the Contract to the Buyer or certify that all Tooling and Data and all copies thereof have been destroyed.

21. INTELLECTUAL PROPERTY RIGHTS

Seller warrants, represents, and undertakes that the Goods and/or Services delivered under the Contract do not infringe any other party's patents, trademarks, trade names, registered designs, design rights, copyrights or any other industrial or intellectual property rights. Seller shall be liable and agrees to defend, indemnify and hold harmless Buyer, its customers and agents against any liability, including without limitation costs, expenses, and attorneys' fees, for or by reason of any actual or alleged infringement of any intellectual property right arising out of the manufacture, use, sale, resale, delivery or disposal of Goods and/or Services furnished under the PO, to the extent that any such claim is not attributable to Seller's compliance with Buyer's specific written instructions.



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In the event of any such claim against Buyer, Seller shall furnish to Buyer, when notified by Buyer, all evidence and information in possession of Seller pertaining to such claim. Seller shall report to Buyer promptly and in written details, each notice or claim of patent or copyright infringement relating to the performance of the PO of which Seller has knowledge.

Seller shall disclose and hereby exclusively assigns to Buyer all inventions and data created during the performance of the PO as well as the intellectual property rights pertaining thereto, including but not limited to reproduction rights, performance rights, adaptation rights, commercialization rights and use rights for any purpose and for the entire period of statutory protection specified in the applicable legislation. Upon termination of the PO, either for Seller's default, insolvency or for convenience, Buyer may, at Buyer's option, use on a nonexclusive basis, all drawings, documents or other records related to the PO whether created by Buyer or Seller without further compensation to Seller.

22. RIGHTS AND RESERVATIONS:

All drawings, specifications, designs, information, tools, patterns, equipment, processes, known-how, materials, special dies and other goods supplied, developed or paid for by Buyer, and proprietary rights embodied therein, shall remain the exclusive property of Buyer and shall be kept separate from other drawings, specifications and materials, and identified as the property of Buyer. The same shall not be used or reproduced for any purpose whatsoever except the performance of work under the PO.

23. CONFIDENTIALITY

The information disclosed under any form by Buyer to Seller relative to the PO, to the extent that such information is not in the public domain and evidenced by written documents, shall not be disclosed to any third parties unless Buyer's prior written consent and are considered as confidential, except to employees and/or subcontractors as necessary for completion of the PO, in which event these shall have the same obligation of nondisclosure under Seller's responsibility. Such information shall be used only in filing the PO. Confidential restrictions shall survive completion, cancellation and termination of the PO.

24. ARCHIVES

Seller undertakes to archive copies of its all work product, included but not limited to technical documents relating to its manufacturing process, and all elements used for the entire and proper performance of the PO for a period of ten (13) years.

25. ASSIGNMENT AND SUBCONTRACTING

Seller shall not assign the Contract or the PO or any obligations under the Contract, nor shall Seller subcontract for completed or substantially completed Goods and/or Services purchased under the PO without the prior written consent of Buyer. Any such consent to sub-contract shall not relieve Seller of any obligation to comply with the Contract or any PO. This limitation shall not apply to the purchase by Seller of standard commercial supplies or raw materials. Seller shall select subcontractors (including supplies) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the PO.

26. NO WAIVER

No waiver, delays, or forbearance by Buyer of any breach of the Contract or a PO, or the granting of an extension for performance thereunder shall be construed as a waiver or relinquishment of any such provisions, rights or remedies. Seller agrees that Buyer's approval of Seller's technical and quality specifications, drawings, plans, procedures, reports, and other submissions shall not relieve Seller from its obligations to perform all requirements of the Contract.

27. APPLICABLE LAW AND DISPUTE RESOLUTION:

The validity and performance of the Contract and any related PO shall be governed by and construed in accordance with the laws of the jurisdiction in which Buyer's facility issuing the PO is located. The Parties agree that in the event of any dispute arising from the Contract and any PO, they will endeavor to reach an amicable settlement. Failing to reach such dispute resolution, jurisdiction and venue of any suit between the Parties hereto arising out of or connected with this Contract, the PO or the Goods and/or Services furnished hereunder, shall lie only in the competent courts in which such Buyer's facility is located.



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Seller shall proceed diligently with the performance of work, including the delivery of Goods and/or Services in accordance with Buyer's direction. Upon resolution of the dispute, the PO shall be equitably adjusted, if necessary, to reflect such resolution.

28. PROVISION OF PRODUCT INTEGRITY & TRACEABILITY

All products supplied by the supplier must be legible and traceable to the Original Equipment Manufacturer (OEM) with full lot traceability. Paperwork traceability must be maintained at the supplier's facility. Supplier must provide OEM Certificate of Conformance (COC) and Test Reports (T/R) upon request. The Buyer prohibits any purchase, shipment or circulation of counterfeit/suspect unapproved products. In the event of receiving counterfeit parts The Buyer will not pay the invoice for the receipt of counterfeit parts nor will the parts be returned back to the Supplier.

29. COUNTERFEIT PART DETECTION, AVOIDANCE, AND MITIGATION

The Buyer hereby represents and warrants that it Maintains procedures for the detection and avoidance of Counterfeit material in accordance with AS6174. The Buyer requires all suppliers to acknowledge the flow down requirements to their sub-tier suppliers in accordance with the purchase order term and conditions.

30. SHIPPING TOLERANCE

Ship quantity tolerance is +/- 0% without buyer written approval. (All product shipped to TFI Aerospace must be free of mercury compounds)

31. CONFLICT MINERALS

The Buyer supports the ending of violence and human rights violation in the mining of certain minerals from a location described as the "Conflict Region", which is situated in the eastern portion of the Democratic Republic of the Congo (DRC) and surrounding countries. As a result, the U.S Securities and Exchange Commission (SEC) has adopted rules to implement reporting and disclosure requirements related to "conflict minerals", as directed by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The rules require manufacturers who file certain reports with the SEC to disclose whether the products they manufacture contain "conflict minerals" that are "necessary to the functionality or production" of those products.

The definition of "conflict minerals" refers to gold, as well as tin, tantalum, and tungsten, the derivatives of cassiterite, columbite-tantalite, and wolframite, regardless of where they are sourced, processed or sold. The U.S Secretary of State may designate other minerals in the future. The Buyer supports the humanitarian goal of ending violence in the DRC and surrounding countries.

The Buyer is committed to the responsible sourcing of "conflict minerals" throughout our supply chain and to continuing to comply with the underlying SEC rules and regulations surrounding "conflict minerals".

32. LEAD FREE PRODUCT REQUIREMENT

All Electronic Systems products, parts, component and assemblies supplied by the supplier must be Lead Free and in compliance with GEIA - STD - 0005 - 1 - A and, GEIA - STD - 0005 - 2 - A, Level 2C

33. FOREIGN OBJECT DAMAGE/FOREIGN OBJECT DEBRIS (FOD) PREVENTION

All products/components/services supplied to TFI Aerospace must be free of FOD, per NAS 412, Foreign Object Damage/Foreign Object Debris (FOD) Prevention Standard Practice.

34. KOBE STEEL

Supplier must comply with the Kobe Steel alert, including material purchased from subcontracted work, for the following materials with in the link below that are potentially impacted: http://www.kobelco.co.jp/english/releases/1197835_15581.html