



Sales Order Terms and Conditions

1. DEFINITIONS

'The Company' means TFI Aerospace

'The Customer' means the person, firm, company or corporation purchasing the goods,

'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

2. GENERAL

All quotations are made and all orders are accepted by the company subject to the following terms and conditions and no additions or variations shall be made or applied unless expressly agreed in writing between the company and the customer and no other printed or standard conditions shall be implied other than the written terms and conditions. The Agreement, including these terms and conditions, may not be cancelled or changed except in writing signed by both Supplier and Customer.

3. CONFIDENTIALITY

The parties are mutually bound by a general obligation of confidentiality concerning the Information exchanged in connection with the preparation and performance of the Agreement. The confidentiality obligations contained herein shall continue during a thirteen (13) year period following the delivery of the last PO to the Customer.

4. ORDERS

- The company reserves the right to refuse any order.
- All orders must be accompanied by sufficient information to enable the company to proceed with the order.
- All orders are subject to minimum quantities per batch deliveries and specific conditions.
- The Customer shall inspect the Goods immediately on their delivery and shall within 5 work days give notice in writing to the Company of any matter or thing by reason of which the customer believes that the Goods have not been delivered or executed in accordance with the Terms of the Contract. If the customer fails to give such notice, Goods shall be in all respects deemed to have been provided in accordance with the contract and the customer shall be bound to accept and pay for the Goods in accordance with information below.
- Customer is not entitled to terminate any accepted PO without The Companies written consent. If the Company consents to any termination requested by The Customer, The Company may condition such consent on the payment by The Customer of reasonable termination charges computed by The Company.
- The Company reserves the right to cancel/re-quote any orders due to price increases from its supply chain.
- Blanket Orders and/or Release Schedules that are sent to The Company must give minimum 6 weeks of firm visibility, where part quantities and/or release quantities cannot be moved in, out, or cancelled, and minimum 16 weeks of forecast visibility to allow TFI to manage inventory / supply chain, unless agreed upon in writing in advance with TFI Aerospace. Any contracts or LTA's signed by The Company take precedence over these terms.

5. ACCEPTANCE AND REJECTION

- Customer will make adequate inspection of the goods' conformity promptly after receipt but in no event later than five (5) calendar days from the date of delivery.
- Any rejection of goods shall specify the reasons for the rejection. Customer's failure to properly reject goods within five (5) calendar days from the date of delivery of such goods shall constitute Customer's acceptance of the goods and waiver of any nonconformity or defect.
- Rejected goods must be returned to The Company upon prior written authorization.
- Further processing, modification, or assembly of goods, material, etc., by Customer or any third party shall constitute a waiver of any liability on The Companies part.



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- Credit will only be processed on non-conforming goods that are returned to Supplier in a timely manner and deemed non-conforming by the Company.
- The Companies liabilities in respect of any defect in or failure of goods manufactured or services supplied by the company or for any loss or damage sub sequential or otherwise is limited to replacement of the goods which the customer proves are defective and being a defect which under proper use or conditions of storage arises solely from faulty materials used by the company or defective workmanship of the company which appears within a period of 3 calendar months after the goods or services found to be defective shall have been delivered or supplied to the customer provided the goods or services have been accepted by the customer and paid for. The company shall at its option give the customer a credit in respect of the goods or services found to be defective to the full price paid by the customer.
- Within 48 hours of the customer discovering the defect in the goods, missing quantity (to what stated on paperwork) or services the customer shall give the company notice in writing of such defect(s), so as to enable the claim to be investigated at the earliest possible moment. The customer shall if requested by the company permit the company through its employees, servants or agents to have access to the goods claimed to be defective in order that the company may examine the goods and ascertain whether the customers' claims that they are defective or have been defectively installed are justified. No liability shall attach to the company hereunder unless and until the procedure laid down in the clause has been carried out.
- In all cases unless otherwise agreed in writing the goods deemed to be defective in accordance with above clause shall be returned immediately by the customer, carriage paid, to the company's works and shall become the property of the company. The replacement goods shall be redelivered to the customer by the company.
- Nothing herein shall impose any liability upon the company in respect of any loss, damage, consequential or otherwise in relation to or arising out of goods found to be defective or services found to have been defectively rendered or attributed directly or indirectly to the acts, omission, negligence or default of the customer or the customer's servants or agents including any failure by the customer to comply with.
- TFI Aerospace will not accept any goods as defects if they have been sold for over five years. Thus, any costs will be at the customer's expense.

6. DELIVERY

The mode of delivery shall be the customers responsibility. Lead times and delivery dates are estimates only and do not include transportation time. Such lead times and delivery dates are based on regular and reliable forecasts provided by Customer. A delay in delivery will not result in payment of damages, nor allow cancellation of the order. All liabilities, costs and risks associated with transportation shall be borne by Customer as per EXW/FOB.

7. MINOR DIFFERENCES

If the company shall deliver to the customer a quantity of goods greater or less than ordered or goods different to those contracted to be sold, then the customer shall be obliged to accept delivery of a quantity of goods up to a maximum of the amount ordered and notify the company of any shortages or excess or the fact that they are different goods within 14 days of receipt. If the customer shall not so notify the company, the customer shall be deemed to have accepted all the goods delivered and to have waived any shortages or difference.

8. PAYMENT

Payment shall be made within 30 NET days from the date of the invoice for The Goods delivered or services received (unless agreed otherwise with The Company).

Payment shall be made by preferred option of wire transfer, in the currency invoiced and directly to Companies bank account which will be supplied.

If payment is not received TFI Aerospace reserves the right to place The Customer's account on stop, until payment is made. When on stop no orders will be manufactured or dispatched. When payment has been made and verified the delivery date of previous orders may change as a result of non-payment this decision lies with The Company. The Company will then update The Customer on a date that Goods will be ready.



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9. INSTALMENTS

- Where goods are delivered by instalments each instalment shall be treated as a separate contract.
- Each instalment shall be paid for in accordance with payment terms. All payments shall be made on the due date as a condition precedent to further deliveries.
- The failure of the company to deliver goods to the customer shall not entitle the customer to refuse to accept the contract.
- Where goods are delivered by instalments any defect in one instalment shall not be sufficient grounds for the customer to refuse to accept delivery of the remaining instalments.

10. OWNERSHIP OF TOOLS

Right to ownership of or title to Information and prototypes shall remain the exclusive property of the Company. Expenses incurred by The Company for designing and creating any tools and for improving manufacturing may be subject to a financial participation by The Customer. Tools designed by Supplier and/or adapted to its methods and equipment shall remain the exclusive property of The Company, and shall stay in its workshops. Supplier is entitled to destroy the tools in the event that they should remain more than two (2) years without receipt of a new PO of satisfactory quantity.

11. FORCE MAJEURE

The Company will not be liable for any delays or failure to perform any obligations under the Agreement, if the performance of the same is partly or wholly delayed, prevented or hindered by an event beyond its control, which could not have been reasonably foreseen at the signature of the Agreement, and whose effects cannot be avoided, such as but not limited to accidents, labor disputes or disruptions, strikes, shortages of labor, materials, fuel or power, fires, floods or other acts of God, embargoes, acts of terrorism, civil or foreign war, acts or omissions of Customer, restrictions imposed by law or any rules or regulations thereunder, priorities required, requested or granted for the benefit of the government or any other matter beyond Supplier's control.

12. TERMINATION

In the event Customer breaches any of its obligations or fails to make payments in a timely manner as required by the terms of the Agreement, and Customer does not provide security for future payments to the satisfaction of Supplier, or in the event of a change of control of Customer, or if Customer is subject to bankruptcy or similar action or becomes insolvent, Supplier may terminate part or all of the accepted PO placed under the Agreement.

13. CHOICE OF JURISDICTION AND VENUE

Any dispute arising out of or in connection with the order and/or the Agreement shall be submitted to the Courts of Supplier's registered office, which shall have sole jurisdiction, regardless of the place of delivery, even in case of claims for indemnities or in case of plurality of defendants. The Agreement shall be governed by and construed in accordance with the laws of the country of The Company registered office, excluding those relating to choose or conflict of laws and excluding the United Nations Convention on Contracts for the International Sale of Goods.

14. LEGAL CONSTRUCTION

The contract shall in all respects be constructed and operate as a Canadian contract in accordance with Canadian Law.