

The term "Seller" shall mean Supplier, the term "Contract" shall mean this Contract or Purchase Order (PO), and the terms "Buyer", "Contracting Officer", and equivalent phrases shall mean TFI Aerospace and its customer(s) under this Contract, as applicable, to fulfill the intent of such clauses.

SCOPE: The following Quality Notes are the associated Quality Terms and Conditions of purchase that always apply to any PO placed by TFI Aerospace. Acceptance of the order, (Providing Services and Invoices for Services or Goods Rendered) is an agreement to be bound by these Quality Notes without exception. There may be other Formal Financial Purchasing Terms and Conditions defined on attached PO's which govern the Contract / Purchase Order. The Seller recognizes that they took notice of them and had the opportunity to negotiate them. The Contract will consist of the following documents in descending order of priority:

- the Purchase Order, including these Quality Notes,
- Trimas General Terms and Conditions of Purchase, and
- the acknowledgment of receipt of the PO.

Any shipment of Goods and/or performance of Services by Seller shall be deemed to be governed by the Quality Notes and Quality Terms and Conditions contained or referenced herein, except to the extent that an authorized representative of Buyer may otherwise expressly consent in writing.

Acceptance of the Purchase Order: Acceptance of the PO by Seller implies unreserved acceptance of these Quality Notes and Trimas Terms and Conditions of purchase. Acceptance of the PO in its entirety shall be made by Seller in writing, within three (3) calendar days of the PO's receipt, unless otherwise stated in the PO. Seller's failure to reply or acknowledge the PO within three (3) 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.

Summary of all CLAUSES contained in this document:

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- Clause 5: Termination for Convenience
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CLAUSE I: Orders/Change Orders

(A) Buyer may by written notice make changes within the general scope of the Purchase

Order in any one or more of the following:

- Drawings or specifications;
- method of shipment or packaging;
- place of inspection, delivery or acceptance;
- amount of Buyer-furnished Manufacturing Materials;
- quantities

(B) Seller shall proceed immediately to perform the Order as changed. If any such change causes a material increase or decrease in the cost of, or the time required for the performance of any part of the work in the Purchase Order, except as otherwise provided for in the paragraph below, Buyer will make an equitable adjustment in the purchase price or delivery schedule or both. Seller shall provide written notice of its intent to assert a claim within three (3) calendar days from the date of receipt by Seller of such written notice of change. Seller shall proceed with the change pending resolution of any claim for adjustment. Failure to agree to any adjustment will be resolved in accordance with the **CLAUSE 21: Disputes**.

(C) Notwithstanding paragraphs (A) and (B) above, Buyer may make changes to the Purchase Order delivery schedule without cost impact provided that:

- (i) Buyer provides a minimum three (3) week notice to Seller for any delivery schedule acceleration; or
- (ii) Buyer provides a minimum three (3) week notice to Seller for any delivery schedule deceleration

CLAUSE 2: Agreement/Acceptance/Modifications

The Purchase Order ("PO") to which these Quality Notes/Trimas terms and conditions of purchase are referenced, and into which these Quality Notes/Trimas terms and conditions of purchase are hereby incorporated, is issued subject to the express condition that it may be accepted only on the Quality Notes/Trimas terms and conditions of purchase contained in it. Vendor shall be bound by this PO when any of the following occur: Vendor executes and returns the acknowledgment copy to TFI Aerospace. Vendor otherwise indicates its acceptance of this PO; or Vendor commences performance or delivers to TFI Aerospace any of the goods ordered herein. The date on which Vendor becomes bound by this PO in accordance with the above is the "Effective Date". This PO constitutes the entire agreement between TFI Aerospace and the Vendor.

CLAUSE 3: Changes

(A) No change that could affect fit, form, function, reliability, radiation hardness shall be done without approval from TFI Aerospace.

(B) After acceptance of this Contract, Seller shall notify TFI Aerospace of any change to:

- parts, materials and their composition
- fabrication methods or processes
- special processes suppliers



- acceptance methods or procedures
- manufacturing location

Notification shall occur prior to implementation of any changes and TFI Aerospace at its discretion reserves the right to reject any or all of these changes, or to request process re-validation (typically through a Delta FAI for aerospace use). On any account shall any changes as outlined above occur without written approval by TFI Aerospace.

CLAUSE 5: Termination

TFI Aerospace has the right to terminate this PO or any part thereof at any time in its sole and absolute discretion upon giving the Vendor written notice. The Vendor shall immediately cease all action under this PO, and shall be reimbursed for all goods shipped, subject to acceptance by TFI Aerospace, and all expenses properly incurred to the date of termination specified in the notice. In no event shall payment exceed the PO price less any amount previously received by the Vendor.

Additionally, TFI Aerospace may, at any time, change drawings, specifications, quantities, delivery schedules, places of delivery or methods of shipment or packaging, and Vendor agrees to comply with such changes. Vendor must assert claims for equitable adjustment of price and delivery schedule within ten (10) days of receiving notice of a change, and TFI Aerospace may, at its option, terminate this Agreement in accordance with this section if the parties cannot agree on an equitable adjustment within a reasonable time. Except as set forth in this section, no modifications or terminations of this Agreement may be made without TFI Aerospace written agreement.

CLAUSE 9: QUALITY REQUIREMENTS

(A) The processes, products, and services to be provided, including the identification of relevant technical data (e.g., specifications, drawings, process requirements, work instructions) are stated or referenced within the item description directly on each Purchase Order. This includes any special requirements.

In the event of conflicts between documents referenced in this Purchase Order, the order of precedence shall be as follows:

1. Purchase Order
2. Drawings
3. Specifications

(B) Approvals

All parts and materials supplied under this Purchase Order are subject to final acceptance and approval at TFI Aerospace Incoming Inspection upon receipt.

Approvals of methods, processes and equipment for production or service provision will be in the form of acceptance of First Article Inspection Reports from the supplier, for aerospace end-use. Ref. Clause 9 (O)

(C) Certificate of Conformance

A Certificate of Conformance (C of C) is required with each shipment for approval of products and services, and shall include:

- Manufacturer/Processor Name
- Manufacturer/Processor Address
- TFI Aerospace company name and address
- Unique C of C Number
- Purchase Order Number and Revision (if applicable)
- Manufacturer part number and Revision Level
- Manufacturer Serial Number(s) (if applicable)
- Reference Drawing Number and Revision Level
- All applicable specifications and revisions used
- Quantity
- Date Code or Batch Number or Heat Number (if applicable)
- Shelf Life expiry date (if applicable)
- Reference to all other associated Certifications by their number and Manufacturer Names
- Statement of conformity, confirming that all parts / services were provided IAW all Purchase Order requirements and applicable specifications.
- Signature by the Head of Quality Control (or other Quality Authorized and Designated Official)

(D) Traceability

Supplier must ensure that all items on this procurement are traceable to the source of origin by lot or batch numbers, and this traceability number reflected on the Certificate of Conformance. If the supplier is a distributor, the distributor shall provide their own C of C, in addition to the original manufacturer Certificate of Conformance / Analysis and/or Test. If additional distributors are used, their C of Cs are also required, so that traceability is demonstrated from the source of origin.

(E) Certificate of Analysis

When applicable, supplier shall provide a Certificate of Analysis (C of A). It must be authenticated, showing degree of compliance of physical property test results, together with certification of chemical composition.

(F) Certificate of Test

When applicable, supplier shall provide a Certificate of Test (C of T) or Material Test Report (MTR). It must be an authenticated Test Report, for each heat lot of material, showing degree of compliance with applicable:

- Tensile strength,
- Material hardness
- Shear,
- Chemical and/or metallurgical composition,
- Dimensional requirements

(G) Release of Products and Services

All products and services shall be inspected prior to release to TFI Aerospace. Inspection shall be performed based on applicable quality requirements flowed down from TFI

Aerospace customer. This may include use of statistical techniques. If no inspection requirements are defined, standard ANSI Z1.4 acceptance C=0 level shall be used for aerospace end-use. For other use products / services, the supplier shall use their own approved inspection plan. Results of these inspections shall be retained as per record retention requirements defined herein and referred to as "Inspection Data".

(H) Inspection Data Review

Inspection Data (ex: MTR / C of T/ C of C /C of A, Inspection Reports) review and approval by TFI Aerospace prior to shipment is a requirement on this Purchase Order. Supplier shall submit the Inspection Data by email to: **lindsay.mcbain@trimas.com** at least three (3) working days prior to delivery date. Supplier must obtain authorization to ship from TFI Aerospace prior to shipment. Any breach may result in a rejection and/or return of deliverables to the supplier.

(I) Right of Access and Inspection

TFI Aerospace (Buyer) reserves the Right of Access by the organization, their customer, and Regulatory Authorities to all facilities involved in the Purchase Order and to all applicable documented information (at any level of the supply chain). 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 / PO. Seller shall assist and grant Buyer access to its premises as well as its sub-contractors' 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, documents, etc.

(J) Customer Designated Sources

The Supplier shall use only TFI Aerospace or its customer designated sources or approved external providers, where available from approved vendor listings. The use of these sources does not alleviate the Supplier from completing its own sub-tier evaluations and control.

(K) Special Processes

The Supplier and all sub-tier suppliers must be approved by TFI Aerospace or its customer for special processes performed as part of this Purchase Order, if for aerospace end-use. For aerospace use NADCAP Certification may be required. If the supplier wishes to use a special process supplier not approved by TFI Aerospace, authorization must be requested in writing and approved by TFI Aerospace prior to use of that supplier.

(L) Flow-down Requirements

The Supplier shall ensure that all applicable customer requirements, special requirements, critical items and key characteristics, are flowed down to all sub-tier suppliers that may be used in executing the requirements of this Purchase Order.

(M) Interaction and Control and Monitoring of Performance

TFI Aerospace encourages open communication with each supplier and will continuously build and maintain our supplier relationships. TFI Aerospace will monitor supplier quality performance and on-time delivery, as well as level of supplier risk. Suppliers must maintain quality and OTD (On-time delivery) level of 98% or better. When expected supplier performance becomes sub-standard, results will be communicated directly to the supplier and corrective actions requested when necessary to improve this performance.

(N) Foreign Object Damage (FOD)

Supplier shall ensure that all goods delivered to TFI Aerospace are manufactured in an environment with a sufficient contamination control process to prevent parts from being contaminated by foreign material.

For aerospace goods, Foreign Object Damage (FOD) Prevention Program shall be implemented by the supplier, following AS9146 – FOD Prevention Program requirements as a guideline.

(O) First Article Inspection (FAI) / Delta FAI

The supplier shall perform a First Article Inspection (FAI) that conforms to the requirements of AS9102 - Aerospace First Article Inspection Requirement on the first production part delivery, as requested. This process shall be repeated when changes occur that invalidate the original results (e.g., engineering changes, manufacturing process changes, tooling changes) and a Delta FAI shall be submitted upon request.

(P) Non-conforming Product and Disclosure

The supplier must notify TFI Aerospace of non-conforming product in advance of its shipment. The supplier must formally request TFI Aerospace to provide a disposition of the non-conforming product prior to shipment; the decision on disposition may be made after examination of the product. A formal Supplier Corrective Action may be requested by TFI Aerospace.

If the Supplier anticipates or becomes aware of any non-compliance affecting delivered products and/or performed services, the supplier shall **notify** TFI Aerospace immediately (**within 24 hours for aerospace parts**). Supplier must issue a formal notice titled:

"Notification of Escapement" with detailed information identifying the delivered product 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. A Supplier Corrective Action Request (SCAR) may be requested and shall be submitted to TFI Aerospace within 48 hours of request.

(Q) Concession requests

On a very exceptional basis, the Buyer agrees to examine requests made by the Seller during the manufacture of material/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 compensation for 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.

(R) Shelf Life

Applicable Items procured per this Purchase Order must arrive at TFI Aerospace with not more than 20% of their specified shelf life expended.

(S) Critical Items and Key Characteristics (KCs) – aerospace parts/materials

When Critical Items or Key Characteristics are defined on the model/drawings/specifications or Purchase Order, the supplier shall plan, implement and control processes, appropriate to the organization and the product, for management of Key Characteristics and Statistical Process Control (SPC) that conforms to the requirements of AS9103 - Variation Management of Key Characteristics.

Dimensional Inspection Report for Key Characteristics/features is to be included as deliverable paperwork along with finished goods. These identified KCs require inspection on all parts delivered and need to be reported as actual (measured) data and uniquely identifiable for each part on the Report(s).

(T) Product Safety

Supplier shall plan, implement, and control the processes needed to assure product safety during the entire product life cycle. Risk evaluation and mitigation for the product shall include, but not limited to, the product during manufacturing/processing, testing, storage, handling and transportation. The safety of the personnel, test equipment, fixture, and environment shall also be considered. Supplier shall ensure awareness of the importance of and contribution to Product Safety for all employees.

(U) Ethical Behaviour

The need to ensuring suppliers' personnel are aware of their contribution to product or service conformity, product safety and the importance of ethical behavior. Supplier shall not engage in any form of corruption, bribery, anti-competitive agreements or other unfair business practices. Awareness of ethical behavior in processing/production for assurance of product safety is paramount. Supplier shall assure its employees' awareness and compliance with these principles, take appropriate action in any instances of infraction of which they become aware, and take effective action to prevent such infraction from recurrence.

(V) Contribution to Product / Service Conformity

Supplier shall ensure awareness of contribution to product / service conformity for all employees. Implications of not meeting customer requirements and non-conforming products / services received by the end-user shall also be considered.

(W) Qualification of Employees

Supplier shall ensure use of competent employees based on qualification, training and experience as required to fulfill production and special process activities. Qualifications will

be based on Certification requirements from Third Parties where applicable, such as for Welding, NDT, Heat-Treat, Chemical Processing, etc. For aerospace end-use, a valid NADCAP Certification may be a requirement for any special process.

(X) Quality Management System

Supplier shall implement and maintain an effective quality management system which meets the quality requirements of this Purchase order. The Supplier shall have a Quality Manual to establish the control of processes and products that have an affect on product or the product realization process, for airworthy products.

(Y) Test Specimens

If applicable to the PO, the Supplier shall provide test specimens for approval, inspection/verification, investigation, or auditing purposes, as requested by TFI Aerospace, or for design approval by its customer(s).

(Z) Calibration

The Suppliers equipment shall be calibrated in accordance with ANSI/NCSLS Z540-1 or ISO 10012-1 and traceable to NIST.

CLAUSE 10: Suspect/Counterfeit Parts

Supplier shall supply products / services that are not and do not contain suspect or counterfeit parts.

(A) The supplier shall plan, implement and control processes, appropriate to the organization and the product / service, for the prevention of counterfeit or suspect counterfeit part use and their inclusion in products delivered to TFI Aerospace. The methodology of AS6174 (mechanical parts) and/or AS5553 (electronics parts) may be used as an implementation guide.

(B) A suspect item is an item in which there is an indication by visual inspection, testing, or other information that it may not conform to established government or industry accepted specifications or national consensus standards. A counterfeit item is any item that is a copy or substitute without legal right or authority to do so, or one whose material, performance, characteristics or identity does not appear to be authentic. The term also includes approved product that has reached a design life limit or has been damaged beyond possible repair, but is altered and deliberately misrepresented as acceptable. Failure by the supplier to document material substitution or identify that an item has been refurbished or remanufactured is considered to be fraud, and the item then becomes suspect and/or counterfeit.

(C) If it is determined by TFI Aerospace that a suspect or counterfeit part/material has been supplied, Supplier will impound the items pending a decision on disposition. Supplier shall replace such items with items acceptable to TFI Aerospace and shall be liable for all costs relating to the impoundment, removal, and replacement. The remedies contained in this paragraph are in addition to any remedies TFI Aerospace may have at law, equity or under other provisions herein. TFI Aerospace may also notify the applicable Government



representatives and reserves the right to withhold payment for the items pending results of the investigation.

CLAUSE 11: Warranty

Vendor warrants the goods and services furnished hereunder (whether materials, parts or equipment) to be (a) as specified, (b) free and clear of all liens or other security interests and encumbrances, good, valid and marketable title thereto being solely in Vendor, (c) made exclusively of new materials or material provided by TFI Aerospace, (d) free of defects of any type (whether in design, material, workmanship or otherwise), (e) of good and merchantable quality and (f) fit for intended and general purposes for which TFI Aerospace is purchasing them.

If any such goods or services are found to be in breach of any of the foregoing warranties, Vendor shall promptly, at its sole cost and at TFI Aerospace option, either (a) replace the goods, (b) repair the goods (if applicable) (c) re-perform the services found to be defective.

Vendor shall be responsible for all costs arising out of breach of warrant and repair, replacement or reperformance.

If Vendor fails to promptly replace or repair the goods or re-perform the services, TFI Aerospace may have the goods repaired or replaced or the services re-performed by TFI Aerospace or a third party at the Vendor's expense.

TFI Aerospace may terminate the PO and Vendor shall refund TFI Aerospace the full purchase price and be liable for all direct and indirect expenses, costs, and damages incurred by TFI Aerospace.

CLAUSE 12: Intellectual Property Rights & Indemnity

Any copyright, trademark, trade secret, software, data, idea, concept, process, formula, invention, system, report or other intellectual property resulting from any Seller work performed for the Order and funded by Buyer, will be the sole property of Buyer. Seller agrees to assign and hereby assigns to Buyer any interest Seller may have in such intellectual property right or invention(s) conceived by Seller or reduced to practice by Seller.

CLAUSE 13: Records

Unless otherwise specified, records pertaining to products and/or services pertaining to this Purchase Order must be retained for a period no less than thirteen (13) years, unless otherwise specified. These records may not be destroyed prior to this time without written consent of TFI Aerospace. Destruction must be done by shredding paper, and for electronic data: permanent deletion or physical destruction of storage units (ex: hard-drives).

CLAUSE 14: Invoicing, Packaging and Shipping

Separate invoices indicating Order number, line-item number(s), quantity, country of origin, unit price and extended value are required for each Order unless Pay Upon Receipt has

been established with the Seller. On date of shipment(s) Seller shall forward one copy of each invoice to: **Accounting.TFI@trimas.com**

Packaging and Shipping

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.

Those documents along with the appropriate duplicates must be placed in a sealed transparent envelope attached to the outside of the package or in one of the packages if there is more than one. Buyer's count or weight at delivery shall be final and conclusive on shipments.

CLAUSE 15: DELIVERY

Delivery

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.

Delays

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.

Failure

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. Unless otherwise agreed by Buyer, Seller shall compensate Buyer by way of damages in the event that there is delay in the delivery of Goods and/or performance of Services. The compensation payable shall be calculated by the number of calendar days (or part thereof) by which the delivery is late and by the amount of half one per cent (0,5%) of the value of the concerned Goods and/or Services per delayed calendar day, unless otherwise agreed between Buyer and Seller. Seller agrees that the compensation payable to Buyer is a genuine pre-estimate of the loss suffered by Buyer due to the late delivery of the Goods and/or late performance of Services.

Overshipments

Goods shall not be supplied in advance of Buyer's schedule or in excess of quantities and shipping tolerances, if any, specified in the PO, and shall otherwise remain at Seller's risk. Seller shall be liable for handling charges and return shipment costs for any excess quantities, and unless Seller agrees to pay for such costs, the overshipped quantity ownership will be transferred to Buyer at no additional cost. Buyer is under no obligation hereunder to notify Seller of any overshipments.

Advanced shipment.

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.

Title.

Except in case of a reservation of ownership clause expressly accepted and signed by the Buyer, ownership of the Goods and/or Services will be transferred upon acceptance of the PO by the Seller.

CLAUSE 18: SET-OFF AND WITHHOLDING

Buyer has the right of set-off against any payments due or at issue under the Order or any Order between Buyer and Seller. Buyer may withhold from payment to Seller in an amount sufficient to reimburse Buyer for any loss, damage, expense, cost or liability relating to Seller's failure to comply with any requirements of the Order.

CLAUSE 19: DRAWINGS (if applicable)

(A) All drawings, specifications and data furnished by the Buyer to the Seller shall remain the property of the Buyer or its customer(s) and shall not be disclosed by the Seller and shall be used by Seller only as and to the extent required for the performance of the Order, unless otherwise approved by Buyer in writing.

(B) No review or approval by the Buyer of any work hereunder or of any designs, drawings, specifications, or other documents prepared by Seller will be construed to relieve Seller, in any way from design responsibility for the Articles to be delivered hereunder, or from responsibility to comply with the requirements of the Order.

CLAUSE 22: COMPLIANCE WITH LAWS

Seller shall comply with all applicable federal, provincial, local and state laws, including, but not limited to, laws with respect to the protection of the environment, and Seller hereby certifies that it is in compliance with all such laws and regulations in the production of the Articles, and that the Articles themselves are compliant with all applicable laws. Seller will indemnify and hold Buyer harmless to the full extent of any loss, damage or expense, including lost profit, attorneys' fees and court costs, for any failure or alleged failure of Seller to comply with the requirements of this clause or for any release or threat of release of any hazardous substance, hazardous or solid waste, pollutant or contaminate from any site now, or in the past, owned or operated by Seller, or any site where Seller disposed of or arranged

for the disposal of any hazardous substance, hazardous or solid waste, pollutant or contaminate.

CLAUSE 23: Hazardous Material

Supplier certifies it is in compliance with any federal, provincial or state laws, including but not limited to the U.S. Occupational Safety and Health Act of 1970 (OSHA) or the Canadian Hazardous Products Act as applicable. Furthermore, if the Articles purchased herein are considered toxic or hazardous as defined in the above set of regulations, Seller / Supplier shall provide a copy of the Safety Data Sheet (SDS) with each shipment or as otherwise specified on the Purchase Order.

CLAUSE 24: Indemnification

Replacement of rejected Goods and rework of Services.

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. 14.4 Corrective action. 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.

CLAUSE 27: APPLICABLE LAW AND VENUE

Both Buyer and Seller hereby submit to the exclusive jurisdiction of the Province of Ontario, in the city of Orangeville.

CLAUSE 30: Assignment and Subcontracting (Outsourcing)

(A) Supplier shall not assign the Contract or the PO or any obligations under the Contract, or subcontract for completed or substantially completed Goods and/or Services purchased under the PO without the prior written consent of Buyer (TFI Aerospace). 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.

(B) Supplier shall select subcontractors (including supplies) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the PO, if TFI Aerospace or its customer approved designated sources are indicated.

CLAUSE 34: BUYER INFORMATION

Seller agrees to comply with the terms of any Non-Disclosure Agreement(s) with Buyer and to comply with all proprietary information markings and restrictive legends on information provided hereunder by Buyer to Seller. Seller agrees not to use any Buyer-provided information for any purpose except to perform the Order and agrees not to disclose such information to third parties without the prior written consent of the Buyer.

CLAUSE 35: Boeing End Use

When "Boeing End Use" is indicated on the Purchase Order, additional requirements shall apply as follows:

- (A) Boeing_QAP33_Quality_Clauses shall apply, where applicable
- (B) Retention of all records pertaining to the manufacture of materials / products and/or provision of services, including all inspection and test data is 10 years past the contract (Life of Program) and communication to TFI Aerospace is required at least 2 months prior to planned destruction.
- (C) Control of DPD (if DPD or MBD is used from Boeing)
- (D) Flow-down of all applicable CLAUSE 9: Quality requirements, including 24-hour notification of escapement for non-conforming product.

CLAUSE 36: Control of DPD

(A) Where Boeing build to print Digital Product Definition (DPD) / MBD (Model Base Definition) is the design authority, and datasets or dataset derivatives are used for manufacturing or product acceptance, suppliers are responsible for compliance to the applicable sections of Boeing's D6-51991 – Quality Assurance Standard for DPD at Boeing Suppliers; link: <http://www.boeingsuppliers.com/>

(B) Supplier is responsible for encryption protection for sending/receiving of electronically transmitted DPD / MBD data.

(C) Supplier has to maintain records of sub-tier DPD capabilities (equipment and process).

(D) Supplier has a documented process to ensure sub-tier supplier's inspection planning is compliant when used to accept Boeing product.

(E) Supplier has a documented processes to ensure sub-tier datasets are verified when translations occur.

(F) TFI Aerospace as well as our customers (ex: Boeing) reserve the right to survey and/or review the DPD quality assurance and configuration management systems of the supplier. This may be in the form of an audit, or completion of a supplier questionnaire.

(G) Supplier shall abide by all applicable Controlled Goods, ITAR, MLA, MA, TAA, and EAR requirements.

CLAUSE 37: Advanced Product Quality Planning (APQP)

Where APQP requirements are applicable, the following shall apply:

(A) The supplier shall plan, implement and control processes, appropriate to the organization and the product, for Advanced Product Quality Planning (APQP) that conforms to the requirements of SAE AS9145 - Requirements for Advanced Product Quality Planning and Production Part Approval Process.

(B) The supplier shall provide a Process Failure Mode and Effects Analysis (PFMEA) that conforms to the requirements of SAE AS9145 - Requirements for Advanced Product Quality Planning and Production Part Approval Process.

(C) The supplier shall provide a Control Plan (CP) that conforms to the requirements of SAE AS9145 - Requirements for Advanced Product Quality Planning and Production Part Approval Process.

(D) The supplier shall provide a Measurement System Analysis (MSA) that conforms to the requirements of SAE AS9145 - Requirements for Advanced Product Quality Planning and Production Part Approval Process.

CLAUSE 38: Raw Material Origin

(A) All raw materials furnished or incorporated in the final product by the supplier, should strictly originate from Canada, USA or DFARS compliant countries (per DFARS 252.225.7012). TFI Aerospace reserves the right to accept raw material originating from other sources which are on TFI Aerospace approved suppliers list. Supplier shall then obtain written authorization from TFI Aerospace to use this source.

CLAUSE 39: 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.

CLAUSE 40: Government Contracts

(A) If a PO is issued under a Government prime contract or subcontract, the clauses listed in attachments to the PO are incorporated herein by reference and the terms and conditions thereof shall be controlling over any conflicting Quality terms and conditions set forth herein. The term "Contractor" shall mean Seller, the term "Contract" shall mean this Contract, and the terms "Government", "Contracting Officer", and equivalent phrases shall mean Buyer, as applicable, to fulfill the intent of such clauses.

(B) Where Government source inspections are required in accordance with the terms of this order, Supplier must provide at least 5 (five) working days notice by contacting TFI Aerospace (Buyer) whose name appears on the Purchase Order.

CLAUSE 41: Obsolescence

Obsolescence shall be the characteristic of products, any part of the products 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 products 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.

In some cases, approval from the design authority (TFI Aerospace customer) may be required before an item can be replaced as obsolete. The Seller shall notify the Buyer immediately of the obsolescence so that TFI Aerospace can seek this approval without disruption to production and deliveries of products / services to our customer(s).