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1 SCOPE

This document defines the Supplier Terms and Conditions as referenced from Top Flight Aerostructures, Inc. (TFA) purchase Orders. This document shall be binding only as referenced from the TFA purchase Order.

This document has been authored to comply with AS9100, Rev. D, TFA internal requirements, and customer flow down requirements. The requirements herein are in addition to any requirements on the purchase Order. In case of any conflict, the purchase Order requirements shall take precedence.

2 REQUIREMENTS

1. Definitions

- a. Buyer – Top Flight Aerostructures, Inc., a corporation of the State of Georgia, having place of business at 351 Cadillac Parkway, Dallas, GA 30157.
- b. Supplier – The business entity to which an Order is placed by the Buyer.
- c. Terms and Conditions – All of the provisions of this document.
- d. Order – A purchase Order or a contract for products and/or services, issued by the Buyer to the Supplier, which may incorporate these Terms and Conditions by reference therein.

2. Order Acceptance

The Supplier shall provide written acceptance to the requirements of the Order and to the Terms and Conditions herein. The Terms and Conditions are only binding if referenced from the Order. If the Buyer does not receive written acceptance from the Supplier, then any shipment or performance by the Supplier pursuant to the Order shall constitute acceptance of the Order and to the Terms and Conditions herein, without modification. No modification of this Order and Terms and Conditions herein will be binding unless agreed to in writing by both the Buyer and Supplier. The Order shall become the entire contract between Buyer and Supplier, and any Supplier's terms and conditions shall not be binding upon Buyer, except as agreed to by Buyer in writing.

3. Quality System Requirements

Supplier shall maintain current third party AS9100 or ISO 9001 Quality Management System certification, Nadcap accreditation for the process being performed, or a quality system otherwise approved by the Buyer. The Supplier shall notify Buyer of any changes to any third party certification status, to include loss of certification, change of scope, or possible loss of certification, and any change in location of manufacture.

All manufacturing and inspection records related to the production or processing of product or services supplied to the Buyer shall be maintained by the Supplier for a minimum of ten (10) years and made available for review within reasonable notice by the Buyer.

Supplier shall communicate with the Buyer representative listed on the Order, or their assigned delegee.

Buyer shall monitor the Supplier's quality, on-time delivery, and customer service related to performance of any Order.

Supplier shall maintain a system to prevent the use of counterfeit parts.



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Supplier shall ensure their employees and subcontractors are aware of their contribution to product or service conformity, their contribution to product safety, and the importance of ethical behavior.

4. Certificate of Conformance

The Supplier shall provide a Certificate of Conformance to Order requirements for each shipment or completion of product and services. The Certificate of Conformance must contain the following:

- a. Buyer Order number
- b. Supplier job number (if any)
- c. Part number or description of services
- d. Supplier name and address of processing location
- e. Supplier lot/batch or serial number (if assigned)
- f. Signature and date of Supplier representative authorized to sign on behalf of the Supplier

No material or process substitutions, quantity variations, or splits from the Order may be made without prior written authorization from the Buyer. Any deviations authorized by the Buyer shall be clearly notated on the Certificate of Conformance.

5. Delivery

It is the responsibility of the Supplier to comply with the agreed upon delivery schedule on the Order. Time shall be of the essence, and in the event that the delivery is not made in the quantities and at the time or times specified, the Buyer may, at its sole option and without incurring any liability and in addition to all other rights and remedies which it may have pursuant to this Order, take either of the following courses of action:

- a. Direct expedite routing, completion and/or shipment of products. The difference in cost between the expedite and the original agreed upon Order costs shall be paid by the Supplier.
- b. As to products not yet delivered or services not yet rendered, terminate this Order by written notice to the Supplier.


Supplier shall not deliver any products and/or services more than fifteen (15) calendar days earlier than the Order delivery date unless early shipment is authorized in writing by the Buyer. In the event that products and/or services are received more than fifteen (15) calendar days earlier than the Order delivery date without Buyer approval, the Buyer reserves the right to return the product at Supplier's expense or, alternatively, defer payment until the original agreed upon Order delivery date and payment terms.

6. Subcontracting

The products and services to be delivered by Supplier under the Order shall not be procured by Supplier from a third party in completed or substantially completed form without Buyer's prior written consent. Supplier shall only subcontract with their suppliers that have third party AS9100 or ISO 9001 certification or Nadcap accreditation for the process being performed. Any other subcontracted suppliers shall be approved by Buyer in writing. The provisions of these Terms and Conditions and any other flow down requirements specified on the Order shall be applicable (i.e. flowed down) to all supplier's subcontractors.

7. Packaging

Unless otherwise stated on the Order, the price stated on the Order shall include the cost of preparation and packaging for shipment, container marking, and furnishing of packing lists, test reports and other documents. Supplier shall be responsible for ensuring all product is packaged as necessary to protect from damage during shipment and handling. Any damage to product during shipment and handling due to improper packaging shall be the responsibility of the Supplier.

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Supplier shall include a Packing List with all shipments which itemizes all contents of delivery. The Supplier shall include certifications and test reports as required by the Order.

The outside of shipping containers, all Packing Lists and certifications, and all product shall be marked with the Buyer's Order number, unless otherwise specified on the Order.

8. Inspection and Acceptance

All products and services deliverable under this Order are subject to final inspection and acceptance by the Buyer at final destination. Payment for, or receipt at Buyer's facility, shall not constitute inspection or acceptance. Final inspection, for the purpose of acceptance, shall be made within a reasonable time (not to exceed ninety (90) days or such longer period of time as the Buyer and Supplier shall agree) after receipt at final destination. Buyer shall be the final judge as to the acceptability of products or services delivered under this Order.

In the event that the Supplier becomes aware of any nonconforming products or services before or after they have been performed or delivered, the Supplier shall notify the Buyer in writing immediately. The Buyer shall then determine future actions to be taken, which may include rejection of the products and/or services. Supplier shall obtain Buyer approval to ship any nonconforming material. Any nonconforming material that has been approved by Buyer to ship shall be clearly marked as nonconforming.

9. Rejection

Buyer may, at its option, reject nonconforming products or services, whether constituting all or part of an Order. Buyer shall notify Supplier in writing if any products or services delivered under an Order are rejected. Rejected products or services may, at Buyer's option and Supplier's risk and expense, be:

- a. Held by Buyer until reasonable instructions for the disposition thereof are received from Supplier; or
- b. Returned to Supplier.

In no event, shall Buyer be responsible for payment of the purchase price of, or costs and expenses incurred by Supplier, in connection with products and services rejected by Buyer. No replacement or correction of non-conforming products or services shall be made by Supplier unless agreed to in writing by Buyer.


Buyer, at Supplier's expense, shall have the right to return any non-conforming product to Supplier for repair or replacement, if Buyer has paid to Supplier all or a portion of the purchase price for the product, for credit or refund, at Buyer's option. If Buyer determines it to be impractical to return non-conforming product, Buyer shall so notify Supplier in writing, and Buyer may perform necessary repairs to the product at its facility. Supplier shall reimburse Buyer the reasonable cost of such repairs upon demand.

10. Invoicing

Upon completion and delivery of any item on an Order, Supplier shall submit proper invoice to Buyer. Hard copy invoice shall be mailed or electronic invoices may be emailed. Mail to: Top Flight Aerostructures, Inc., 351 Cadillac Parkway, Dallas, GA 30157, Attention: Accounts Payable. Email to: ap@topflightaero.com. If emailing, please request confirmation of read receipt. Do not submit invoices with delivery of the product. Invoices shall be mailed or emailed separately.

11. Termination for Buyer's Convenience

Buyer may, by written notice to Supplier, terminate all or any part of an Order at or for Buyer's convenience. In such event, the Order price shall be equitably adjusted, not to exceed the total Order price. Supplier shall not be entitled to any amount for anticipated profit on work not

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performed. Supplier's written claim for adjustment must be received within thirty (30) days of the effective date of termination. Any termination shall not relieve Buyer or Supplier of their respective obligations to any unterminated portions of the Order. Upon receipt by Supplier of Buyer's notice of termination, Supplier shall stop work to the extent specified in the notice and take such other action as Buyer may direct or as may be necessary to minimize the cost of termination to the Buyer.

12. Warranty

Seller warrants to Buyer and/or Buyer's customer that all products and/or services delivered under this Order shall be free from defects in materials and workmanship and shall conform to all applicable Order requirements. This warranty shall survive delivery and shall not be deemed waived either by reason of inspection, acceptance, or payment by the Buyer. Supplier shall replace without cost to the Buyer any product and/or service determined to be defective within twelve months of the date of delivery to the Buyer, or within twelve months of the date of resale to a customer by the Buyer.

13. Governing Law and Dispute Resolution

This Order shall be governed by the laws of the State of Georgia. All disputes connected with, arising out of or relating to the subject matter of this Order shall be subject to the procedure described herein. If a dispute arises, a party shall provide the other party written notice thereof and request resolve. During the thirty (30) days following receipt of such notice, management level representatives from both parties shall work together in good faith to resolve the dispute. If the dispute has not been resolved after thirty (30) days, the dispute shall be resolved fully and finally by binding arbitration in Atlanta, Georgia, by a single arbitrator of the American Arbitration Association (AAA), who shall be agreed upon by Supplier and Buyer. If the parties cannot agree on an arbitrator, the AAA shall appoint the arbitrator. Such arbitration shall be conducted in accordance with the Commercial Arbitration Rules of the AAA. The substantive laws of Georgia shall apply in arbitration. The parties shall split the arbitrator's fees and other direct costs of the arbitration but each party shall pay its own attorney's fees and other costs of presenting their case. Any decision provided by the arbitrator in accordance with this provision shall be final and binding on the parties and judgement upon award by the arbitrator may be entered in any court having jurisdiction. If the dispute has not been resolved pursuant to the arbitration procedures, either party may pursue such rights and remedies as are available to it at law or equity. The parties shall bear their own attorney's costs in legal proceeding.

14. Right of Access

Supplier shall provide Buyer and/or Buyer's customer or their representatives with access to plant, facilities and records of Supplier, and its subcontractors and suppliers, for inspection and/or audit.

15. Addition Requirements

The Federal Acquisition Regulation (FAR) with applicable amendments and deletions thereto in effect on the date of this Purchase Order, are incorporated in TFA-603, Appendix A herein and made a part of this Purchase Order. Regulation requirements herein may change as required. Additional requirements maybe identified on the PO.