

Supplier Terms and Conditions

For Goods and Services Purchased by Triple Metal Products Limited

1. Definition of Terms

In the Contract Documents, the following terms have the respective meanings set out below.

- a) **The Company** means the company placing the purchase order: Triple Metal Products Limited (TMPL)
- b) **Actual Delivery Date** means the date on which the Purchased Item is received by TMPL at the stipulated delivery point.
- c) **Contract** consists of (1) the Purchase Order (2) these standard terms and conditions (3) all the other contract documents.
- d) **Contract Price** means the total of any stipulated sums for the Work (or any portion thereof) set forth in the Contract, as amended by any instruction notice.
- e) **Purchased Items** means all materials, processes, equipment, machinery, assemblies, instruments, devices or articles and related components be supplied to TMPL by the Supplier under the Contract and all associated documentation.
- f) **Purchase Order** means the purchase order issued by TMPL as part of the Contract.
- g) **Inspector** means the person designated from time to time by TMPL to monitor the application of the quality program, examine the work relating to the Purchased Item and expedite the delivery of the Purchased Item.
- h) **Subcontractor** means a person, firm or corporation who supplies or performs any of the work relating to the Purchased Item under any agreement with the Supplier and/or another Subcontractor.
- i) **Supplier** means the party contracting with TMPL under the Contract Document.

The term 'including', 'include', 'included' means including without limitation. The term 'will' means shall.

2. Contract Documents and Order of Precedence

- a) These documents take precedence in the order in which they are named.
- b) These documents are subject to subsequent amendments to the Contract, in the form of instructions notices to the purchase order, which will take precedence over the documents they amend.
- c) No agent, employee or other representative of TMPL has authority to make any promise, agreement or representation not incorporated into a Contract Document, and no promise, agreement or representation will bind TMPL unless so incorporated.

3. Language

Unless otherwise authorized by TMPL in writing, all records, report, specifications, drawings and other documentation shall be in English.

4. **Terms of Payment**

- a) Unless otherwise indicated on the Purchase Order:
- i. All monetary amounts are stated in Canadian funds,
 - ii. The Contract Price includes all activities required to supply the Purchased Item and perform the work relating to the Purchased item and all customs duties, excise taxes, freight, insurance and all other changes in any cost of the work relating to the Purchased Item to the Supplier.
- b) Canadian Goods and Services Tax if applicable will be shown as extra and the Suppliers invoice must identify their 15 digit registration number for purposes of Part IX of the Excise Tax Act (Canada). Where Provincial Sales Tax is not applicable, TMPL will provide a proper Ontario Tax Exemption Certificate.

5. **Terms of Payment**

TMPL's standard payment terms are net 30 days. Any changes to this will be specified on the Purchase Order. All payments are conditional on receipt and acceptance of the Purchased Item before the date payment is made. In addition, TMPL may withhold any payment if there remain outstanding any unresolved non-conformance issues.

6. **Delivery Changes and Cancellation**

TMPL reserves the right to extend the ship date and (or) cancel any item in its entirety, with no penalty or cancellation charges, by giving written notice at least six (6) calendar weeks prior to ship date. The Purchase Order is subject to cancellation by TMPL if the Purchased Items are not delivered in accordance with the schedule specified on the purchase order.

7. **Document Control**

- a) The Supplier shall control drawings, specifications and supplemental instructions and changes thereto to the extent necessary to ensure that only documents of the revisions specified in the Purchase Order are utilized.
- b) Supplier shall maintain a system to ensure removal of obsolete documentation from the manufacturing, inspection and test areas.

8. **Material Control**

- a) Where contractually indicated on the Purchase Order the Supplier is responsible to ensure that all material used in the manufacture or processing of the Purchase Order is obtained from end customer approved sources and has proper certification.
- b) The Supplier shall establish controls to ensure that material subject to age control, shelf life, or environmental controls is properly identified, monitored and maintained.
- c) The Supplier warrants that the goods do not contain any Conflict Minerals. For the purposes hereof, "Conflict Minerals" is defined as any other mineral or its derivatives determined to be financing conflicts in the Democratic Republic of Congo, Central African Republic South Sudan, Uganda, Rwanda, Burundi, Tanzania, Zambia and Angola. These materials consist of but are not limited to:
- a. Columbite-tantalite (ore from which Tantalum is extracted)
 - b. Cassiterite (ore from which Tin is Extracted)

- c. Wolframite (ore from which Tungsten is extracted)
- d. Gold
- d) The Supplier further warrants that the goods do not contain any Conflict Minerals. For the purposes hereof, "Conflict Minerals" is defined as any other mineral or its derivatives determined to be financing conflicts in the Democratic Republic of Congo, Central African Republic South Sudan, Uganda, Rwanda, Burundi, Tanzania, Zambia and Angola. These materials consist of but are not limited to:
- e) The Supplier warrants that it is not supplying Counterfeit Parts, and Parts are Authentic. Parts are to be purchased from the Original Equipment Manufacturer and/or Authorized Dealer. A Counterfeit Part is an unauthorized copy or substitute that has been identified, marked or altered by an unauthorized source and has been misrepresented to be an authorized part of the legally authorized source.
A part that a Supplier becomes aware of or has reason to suspect meets the definition of 'counterfeit part' requires the entire lot of parts to be considered suspect counterfeit and the entire lot must immediately be segregated and quarantined. The supplier must immediately advise TMPL of this occurrence.
The supplier must assume responsibility for all costs associated with the delivery and use of suspect counterfeit parts, including, but not limited to, costs for identification, testing, and any corrective action required to remove and replace the suspect counterfeit parts. The remedies shall apply regardless of whether the warranty period or guarantee period has ended.
TMPL reserved the right to notify the Government Industry Data Exchange Program and other relevant government agencies.
- f) The supplier shall flow the requirements of this Material Control to its suppliers and sub-contractors at any tier for the performance of this contract.
- g) Supplier shall provide upon request from TMPL, the status of the supply chain policies and processes to meet the above requirements.

9. **Substitutions and Subcontracting**

- a) The Supplier may not subcontract the work or any portion of the work without prior written consent of TMPL.
- b) The Supplier may not make substitution of materials or processes (if different from the original specifications, drawings or data) without written acknowledgement and consent from TMPL.

10. **Right of Access**

TMPL, its Authorized Representatives and/or an authorized inspector from TMPL's customer shall have right of entry at all reasonable times, to the Suppliers and Subcontractors facilities, as may be necessary to verify the quality, records and / or material supplied and confirm Supplier compliance with Regulatory, Technical and Quality Program requirements as identified in the Purchase Order, and conduct audits.

11. **Notification**

Supplier shall notify TMPL when:

- a) Supplier or Supplier's sub-tiers are found to be non-compliant to TMPL and / or customer specifications.
 - i. Nonconforming product shall not be forwarded to TMPL without advance disposition approval.

- ii. Disposition approval for all Aerospace products must be received in writing.
- b) TMPL shall be notified of all changes to product, processes, suppliers and facilities in relation to all Aerospace products as identified by TMPL.
- c) Customer requirements shall be flowed down within your organization and to your suppliers as required to ensure compliant product.
- d) Supplier's sub-tier is disapproved by Supplier.
- e) Supplier or Supplier's sub-tier is disapproved by a Government Agency.
- f) Supplier loses GCP (Controlled Goods Registration) and authority to process Controlled Technology and Goods.

12. Quality Requirements - General

- a) The Supplier shall maintain a quality program that will assure TMPL that the material and workmanship used in the Purchased Item fully meet the Contract requirements.
- b) The Supplier will be responsible for and perform all inspection, testing and surveillance of the Subcontractors and the Purchased Item necessary to ensure that the Purchased Item meets the requirements of the Contract.
- c) The Supplier shall extend all appropriate requirements of the Purchase Order to Subcontractors.
- d) The Supplier must provide a Certificate of Compliance, Manufacturer Certificate of Compliance, Distributor Certificate of Compliance, Mill Test Report and NAFTA Certificate of Origin as specified in the Purchase Order for materials and processes.
 - i. The Certificate of Compliance must include supplier's name, print and specification numbers with their revisions, TMPL Purchase Order number, quantity shipped, all special requirements defined on the Purchase Order and waivers or deviations approved by TMPL.
 - ii. The Certificate of Compliance may be in the form of a stamp or printed line included in the packing slip.
- e) Required Quality Assurance documents must be provided at the time of shipment of goods, in hard copy within the shipment packaging, forwarded via fax, or electronically. These may include test report, FAI reports or other types of measurements.
- f) Non-conforming material including fit, form, and function shall be identified and reports submitted to TMPL for disposition.
 - i. No non-conforming material may be shipped without written authorization from TMPL.
 - ii. A copy of the dispensation must accompany the shipment.
 - iii. All non-conforming material must be identified and traceable to the report submitted.
- g) 'Limited Life' material supplied per Purchase Order must be accompanied by the date of manufacture and the manufacturer's lot number and the expiration/cure dates.

13. Quality Requirements AS9100

- a) For Purchased Items regulated by AS9100 the Supplier shall maintain an accredited and documented Quality Management Systems such as ISO 9001, AS9100 that is subject to review, audit or approval by TMPL or TMPL's customers.

- b) TMPL's Inspector or TMPL's customer or regulatory agencies will inspect, at Supplier's plants, all Purchased Items which are to be delivered to TMPL if a source inspection requirement is specifically called out on the Purchase Order. This includes witnessing of the Acceptance Tests.
- c) TMPL's Inspector will inspect at Supplier's plants, supplies to be delivered from Supplier to another TMPL subcontractor if a source inspection requirement is called out on the PO.
- d) Supplier shall prepare and present to TMPL Quality Representative the Acceptance documentation and Records package required by the Purchase Order for each deliverable end item. This includes the Certificate of Conformance.
- e) Verification by TMPL or (TMPL's customer) does not absolve the Supplier of the responsibility to provide acceptable product and not preclude subsequent rejection by the customers.
- f) The following documents must accompany the first shipment of each batch for each Purchase Order.
 - i. Manufacturer Certificate of Compliance and Mill Test Report
 - ii. Distributor Certificate of Compliance
 - iii. NAFTA Certificate of Origin
- g) Manufacture and process completely to the requirements of the print, all specifications referenced therein, and all Purchase Order requirements, including such items as part marking, identification, inspection, stamps, certification, inspection records, etc. All special processes referenced on the Purchase Order, engineering drawings or specifications must be carried out by OEM approved sources. TMPL will provide the source information.
- h) Manufacturing and Inspection Control are required for these orders. The Supplier's documented quality system shall provide for the review of the Purchase Order, and Manufacturing and Inspection Plans, to ensure that quality requirements are incorporated into the manufacturing planning, and inspection and test instructions, as applicable, to assure compliance with the Purchase Order.
 - i. Supplier shall retain evidence of such review.
 - ii. Supplier shall utilize only written instruction plans for all manufacturing, processing and inspection operations.
 - iii. Buyer will provide to Supplier all required customer specification once requested.
- i) The Supplier who produces the parts shall not be allowed to perform any operation of welding restoration and correction unless the Supplier receives a written agreement from TMPL, except those the relevant specifications or prints incorporated into the contract specify.
- j) The Supplier shall submit a First Article Inspection (FAI) report for each deliverable item on the Purchase Order. This report may be in any format suitable to the Supplier's system but must contain variable data for 100% of all print characteristics and account for 100% of all features such as print notes and processes and must be representative of production processes actually used. The FAI shall be consistent with the requirements of AS9102 (latest revision), Aerospace First Article Inspection Requirement. All FAI submissions and supporting documentation must be forwarded electronically to your specific Purchasing Agent prior to or with the delivery of the first production lot. The Supplier shall retain one copy of the AS9102 FAI Report as evidence, for a period of 15 years. Products already accepted by FAI shall repeat FAI or detail FAI under the following conditions:
 - i. Print, specification, manufacturing process or production tool changes that could result in a change to the product configuration.
 - ii. Production tools (exclude assistant tools) reproduced or duplicated.
 - iii. A lapse in production for two years.

- k) Where the Supplier is supplying parts including the material the Supplier shall deliver with each shipment a copy of the original Mill/Manufacturer's Certificate of Conformance (C of C) indicating that the material/articles supplied on the Purchase Order meet all Purchase Order requirements and that objective evidence is on file for TMPL's review to substantiate such certification. If Supplier is not the material manufacturer, then a Supplier's Certificate of Conformance is required in addition to the material manufacturer's Certificate of Conformance. Supplier shall record the name of Mill/Manufacturer, Manufacturing Lot/Batch number or Heat Treat number on each package and Certificate of Compliance document of supplies. The Supplier must acknowledge and confirm that all sources of Supply and Manufacturer of materials(s) to be purchased for this Purchase Order are approved by the respective OEM of the end item, and are also approved by the OEM for the relevant specification to which they are being purchased. In the event the Supplier breaches this requirement, Supplier shall assume sole and exclusive risk, all liability and expense whatsoever without limitation in the removal, re-supply and/or replacement of such materials from approved sources for the item(s) in question. Further in the event of such breach, TMPL expressly reserves all right and remedies if any, provided by this Purchase Order, in equity or at law.
- l) The Supplier Certificate of Compliance must be signed by an authorized member of the Supplier's Quality Organization and state "The parts conform in all respect to the Purchase Order / Contract, prints and applicable specifications" and contain the following information:
- i. Supplier's company name
 - ii. Print and/or specification number(s) and revision(s)
 - iii. Applicable process specification and revision status
 - iv. Serial number(s) and date code/lot number(s) as applicable
 - v. Waivers or deviations approved by TMPL
 - vi. TMPL Purchase Order number
 - vii. Quantity shipped
 - viii. Part Number and revision level as listed on TMPL Purchase Order if different from b)
 - ix. Statement of traceability
 - x. All special customer requirements that may be defined in customer special process specifications and/or customer clauses

The certificate of compliance must accompany the shipment of goods. Test coupons for special processes must accompany the shipment of goods and c of c. Examples are for welding, brazing, coating, surface conditions, non-destructive testing.

- m) **Batch Traceability:** All items on the Purchase Order must be traceable to the raw material batch and source from which they were produced.
- n) **Absolute Traceability:** Batch traceability and identification such as serialization of items on an order must be ensured and maintained at all times. All items must be traceable to all processes to which they have been subjected.
- o) The Supplier shall provide a functional test report for each Purchase Item shipped. The test report shall contain the actual results of all functional tests required by the Purchase Order, print, specifications or acceptance test procedure. (ATP).
- p) TMPL or our representative shall be afforded the right to verify at source or upon receipt that the purchased product conforms to specified requirements. All records relating to the requirements for all Purchase Orders shall be kept on file for a minimum of 10 years from the shipment date and available for review by TMPL.

- q) Non-conforming material including fit, form, and function shall be identified and reports submitted to TMPL for disposition. No non-conforming material may be shipped without written authorization from TMPL. A copy of the dispensation must accompany the shipment. All non-conforming material must be identified and traceable to the report submitted.
- r) 'Limited Life' material supplied per Purchase Order must be accompanied by a Certificate of Conformance signed by an authorized member of the Supplier's Quality Organization stating the date of manufacture and the manufacturer's lot number and the expiration/cure dates.
- s) Tooling manufactured for a Purchase Order must be physically identified with a TMPL part number, contract number and project identification as a minimum. Such data will be provided to TMPL upon request prior to shipment, to TMPL.

14. **Shipping and Packaging Instructions**

All packages, boxes, crates, bundles, skids will be clearly and indelibly marked to show necessary shipping information. Packaging and Markings will be carried out by a method suitable to the type of Purchased Item and contain the following information:

- a) TMPL address, TMPL Purchase Order number.
- b) The Supplier's shipment identification number, number of packages, crates, boxes and a detailed packing slip listing each separate item will be enclosed in a waterproof envelope and attached to each shipping container.

15. **Delivery**

- a) Title to the Purchased Item will transfer to TMPL free and clear of encumbrances of any nature at the time of delivery of the Purchased Item to TMPL at its plant.
- b) Time will be material and of the essence of the Contract.
- c) The Supplier will be responsible for ensuring the Purchased Item will arrive at the stipulated destination in accordance with the delivery schedule specified in the Purchase Order.
- d) In the event of a delay of default in performance by the Supplier, TMPL may at its discretion extend the time period for performance, upon conditions satisfactory to TMPL. Alternatively, in such event TMPL may cancel the Contract whole or in part, without any further obligations of any nature to TMPL and seek satisfactory performance by alternate supplier. Any extension granted by TMPL will not prejudice its ability to exercise its cancellation rights in the event of further delay or default.

16. **Correction of Defects**

The Supplier is required to warranty the Purchase Item for a period of 12 months from defects, deficiencies and failures to meet the requirements of the Purchase Order Contract. Upon notification from TMPL the Supplier will make good every such defect, deficiency or failure without cost to TMPL. The Supplier will pay all transportation charges for parts both ways between the Supplier's factory or depot and the point of use.

17. **Contract Cancellation**

TMPL may from time to time, without cause and without affecting the validity of the Purchase Contract, immediately cancel any uncompleted or unperformed work relating to the Purchased Item, in whole in part, by delivering a notice to this effect to the Supplier. Except to the extent any such cancellation arises in respect of any event of default by the Supplier, TMPL will pay the Supplier the amounts set out below, supported by any audit requested by TMPL including an audited performed by TMPL staff:

- a) Percentage of the value of the item as a restocking charge for standard stocked items
- b) Reimbursement at the Contract Price for all items completed and delivered
- c) Reimbursement for direct out of pocket costs to the Supplier for work relating to the Purchased item in progress directly incurred in the course of the work relating to the Purchased Item, as can be verified in an audit for costs. For greater certainty, there will be no charge for items, which are not customer manufactured for the Contract.

TMPL will not be liable to the Supplier for loss of anticipated profit or any other economic loss whatsoever on the cancelled portion or portions of the work relating to the Purchased Item.

18. Laws, Regulations and Subcontractors

The Supplier will comply with relevant federal, provincial and municipal statutes, regulations and bylaws pertaining to the Work and its performance. The Supplier will be fully responsible for all acts and omissions of each Subcontractor and worker of the Supplier and each Subcontractor and any such acts and omissions will be deemed to be those of the Supplier.

19. Governing Laws

The Contract and the conduct of the parties with respect to the formation and performance of the contract are governed by and are to be construed and interpreted in accordance with the laws of Ontario and the laws of Canada applicable in Ontario. The parties irrevocably submit to the non-exclusive jurisdiction of the courts of Ontario and the Federal Court of Canada.

20. Confidentiality

Any confidential information, drawings, data, design, inventions, computer software and other technical information's supplied by TMPL shall remain the property of TMPL and shall be held in confidence by the Supplier. Such information will not be reproduced, used or disclosed to others by the Supplier without the prior written consent of TMPL and shall be returned to TMPL upon completion by the Supplier of its obligations under the Contract.