



8.4.3 SUPPLIER GENERAL TERMS AND CONDITIONS

Latest revisions are highlighted on internal master document.

Rev. E

Nov 13, 2018

GENERAL TERMS & CONDITIONS

TMF, Inc. (TMF) offers to purchase the goods and services described on the attached Purchase Order (PO) only upon the terms and conditions contained herein. This PO shall be deemed agreed to and accepted by Seller and become a binding contract on the terms and conditions contained herein when (a) signed and returned to Seller, or (b) Seller issues its oral or written acknowledgment, or (c) Seller commences performance, or (d) Seller otherwise accepts this Purchase Order. By accepting this PO, Seller waives all terms and conditions contained in its quotation, acknowledgment, invoice, or other documents which are different from or additional to those contained herein, and all such different or additional terms and conditions shall be null and void.

All special terms and conditions or supplemental attachments that are attached to or referenced in this Purchase Order are made a part of the contract between TMF and Seller as fully set forth herein provided that; to the extent of any inconsistency, the terms and conditions of this Purchase Order shall govern.

DEFINITIONS

Seller	The legal entity that is the contracting party with TMF with respect to the Purchase Order (also supplier, vendor, subcontractor of product, materials or services)
Customer	TMF’s customer whom TMF is under contract or holds a purchase order from for deliverable good and services.
NIST	National Institute of Standards and Technology
Counterfeit	Counterfeit includes, but is not limited to, an item that is an illegal or an unauthorized copy or substitute of an OEM or OCM item, product, or material.

TERMS & CONDITIONS

1. Delivery and Performance

Time is of the essence. Seller shall make deliveries in quantities and at the time specified by TMF. TMF shall have the right to refuse shipments made in advance of the delivery schedule set forth in this PO. If at any time it appears that Seller will not make such schedule, Seller shall promptly notify TMF of the reasons for and estimated duration of the delay. If TMF agrees to accept deliveries after the date of delivery has passed, TMF shall have the right to direct Seller to make shipment to the F.O.B. point set forth in this PO by the most expeditious means, and the total cost of such expedited shipment and handling shall be borne by Seller. Acceptance of late deliveries shall not be deemed a waiver of TMF's right to hold Seller liable for any loss or damage resulting thereof, nor shall it act as a modification of Seller's obligation to make payments in accordance with the delivery schedules set forth in this PO. TMF shall not be liable for payment of goods delivered to TMF in excess of quantities specified by TMF. TMF may from time to time change delivery schedules or direct the temporary suspension of scheduled shipments.

2. Warranty



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In addition to the warranties provided by law, Seller expressly warrants that all goods and services supplied under this PO shall (a) conform to specifications, drawings, samples or other descriptions furnished by Seller or specified by TMF; (b) be merchantable, of good material and workmanship and free from defects; and (c) be fit and sufficient for TMF's purposes. Seller warrants further that the prices charged TMF hereunder are no higher than prices charged or placed by others for similar quantities under similar conditions, and if Seller breaches this warranty, the prices of the goods and services supplied hereunder shall be reduced accordingly. TMF's approval of specifications, drawings, samples and/or other descriptions furnished by Seller shall not relieve Seller of its obligations as described in this paragraph 1.2 or otherwise under this PO. These warranties shall survive any inspection, acceptance or payment by TMF, and shall be for the benefit of TMF, its successors, assigns, customers, and the ultimate users of the goods or services supplied hereunder.

3. Title and Risk of Loss

Title to all goods supplied hereunder shall remain with Seller until delivery and acceptance by TMF at the F.O.B. point or destination. The risk of loss of or damage to the goods shall be upon Seller until they are accepted by TMF.

4. Invoicing and Payment

Individual invoices showing the number of this PO, part numbers and packing list number shall be issued for each shipment but shall not be issued before the date of shipment. No invoice shall be payable unless goods or services have been received by TMF. No interest, finance or service charges shall be payable on the goods/services supplied hereunder. TMF shall be entitled to a full cash discount invoices bearing discount terms. Rejections, delay in delivery or delivery in advance of delivery date shall be considered just cause for TMF withholding payment without loss of cash discount privilege. Unless otherwise specified on the face of this document, the price of goods supplied under this PO shall include all charges for Seller's packing and crating and for transportation to F.O.B. point; the amount of any such charges shall be show separately on Seller's invoice.

5. Taxes

The price of the goods or services supplied hereunder includes all federal, state and local sales, use and similar taxes. The amounts of any such taxes shall be shown separately on Seller's invoice.

6. Termination

This PO shall automatically terminate where (a) Seller refuses or fails to comply with any of the provisions hereof which refusal or failure has not been cured within a period of ten (10) days after receipt of written notice of the same from TMF; (b) Seller becomes insolvent, or makes a general assignment for the benefit of its creditors or files or has filed against it a petition in bankruptcy or for reorganization, or pursues any other remedy under any other law relating to the relief of debtors, or in the event a receiver is appointed for Seller's property or business.



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This PO may be terminated by TMF at any time at its option in whole or in part for its convenience without penalty to TMF, by giving written notice to Seller. After receipt of such notice, unless otherwise directed by TMF, Seller shall

- (a) immediately terminate all work under this PO
- (b) transfer title and deliver to TMF all (i) completed goods, (ii) goods in process, and (iii) materials produced or acquired in connection with such goods, which goods and/or materials conform to the requirements of this PO, do not exceed the quantity authorized by TMF, and cannot otherwise reasonably be used by Seller; and
- (c) take all action necessary to protect goods and materials in Seller's possession in which TMF has or may require an interest.

TMF shall determine the amount, if any, due Seller with respect to such termination of this PO and such determination shall be final.

7. Inspection

Seller shall permit inspectors of TMF or TMF's customers (including the United States Government) to have access to Seller's plant at all reasonable times for the purpose of inspecting any goods supplied hereunder or work in process for production of such goods, and to conduct preliminary tests on work in-process. All goods, except goods inspected and accepted by the government, shall be received subject to TMF's inspection and rejection at TMF's plant or other places designated by TMF notwithstanding prior inspections. Title shall not be deemed transferred on any defective goods or goods otherwise not conforming or fulfilling Seller's warranty (express or implied) with respect to this PO (collectively "Defective Goods"), and hence no payment, including freight, shall be due with respect to the same. Defective Goods shall be held for Seller's inspection and at Seller's risk, and if Seller so directs, shall be returned at Seller's expense, and in addition to TMF's other rights, TMF may charge Seller all expenses on unpacking, examining, repacking and re-shipping Defective Goods. No Defective Goods shall be replaced without a new purchase order. Any payment by TMF shall not be construed as an acceptance of Defective Goods. Nothing contained herein shall relieve Seller from obligations of testing, inspection and quality control.

8. Changes

TMF shall have the right at all times to make changes to drawings or specifications regarding the goods and services supplied hereunder. Any difference in price or time resulting from such changes shall be equitably adjusted and this PO shall be modified in writing accordingly so long as a claim for adjustment has been made in writing by Seller to TMF within thirty (30) days of the date of receipt by Seller of such change. In the absence of such notice, TMF shall not be obligated to consider Seller's claim for an equitable adjustment resulting from such change. TMF shall have the right to examine any of Seller's pertinent books and records for the purpose of verifying Seller's claim. Nothing in this paragraph 1.9 shall excuse Seller from proceeding with this PO as changed, including but not limited to failure of TMF and Seller to agree upon adjustment to be made under this paragraph 1.8.



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9. TMF's Materials

Any materials including but not limited to molds, dies, gauges, jigs, fixtures and patterns, furnished by TMF in connection with this PO shall be held by Seller as Bailee for hire for use only in filling TMF's orders, be kept separate and clearly identified by Seller as TMF's property, and shall be fully insured by Seller in an amount equal to the replacement cost thereof with loss to be paid to TMF. Notice of loss or damage shall be provided by Seller to TMF within seven (7) calendar days of the occurrence of the loss or damage. All such materials furnished by TMF which are not consumed in the performance of this PO shall be returned to TMF at TMF's direction. Seller waives and releases TMF from, and Seller shall defend, indemnify and hold harmless TMF from and against all claims of injury or damage to Seller, its employees and/or others, arising out of or in connection with the presence or use of such materials, whether such injury or damage is caused by defects in such materials, TMF's negligence or that of its agents or employees, or otherwise.

10. Tooling

Unless otherwise stated herein, Seller, at its own expense shall furnish, keep in good condition and insure and replace as needed all tooling and other materials necessary for the performance of this PO. If Seller supplies special tooling or other materials related principally to this PO, TMF at any time may purchase and take possession of any such tooling or other materials by paying Seller the unamortized cost thereof.

11. Drawings, Confidential Information and Inventions

All drawings, prints, samples, tests and reports if any and as required, shall be clearly identified with revision level and supplied by Seller without charge. TMF shall have the right to use for any purpose unpatented information supplied by Seller if such information is supplied without written restriction regarding the use or disclosure of the same. Seller shall not use or disclose any drawings, prints, samples, tests or reports or other confidential information supplied by TMF, whether or not designated as such, except as reasonably required fulfill this PO. All inventions and ideas, whether or not patentable, made, conceived, developed or acquired by Seller incident to supplying goods or services under this PO shall vest in and inure to TMF's sole benefit, and Seller shall, at the request of TMF, cause applications for patents covering such inventions to be executed by appropriate representatives of Seller and assigned to TMF.

12. Quality Control

In accordance with the specific requirements of this PO, Seller shall maintain a quality control system acceptable to TMF covering the goods and services (including test specimens or prototypes for engineering approval) supplied hereunder. Seller is responsible for flow down to the supply chain all applicable requirements including customer requirements. Records of all certification and inspection work by Seller and its suppliers shall be kept complete and available to TMF at Seller's facilities, including without limitation, all records, reports, data and other information necessary to insure compliance with applicable Federal Aviation Regulations.



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- A. **Product Safety.** The engineering drawing provided may include Critical Items or Key Characteristics that must be verified or measured and recorded on applicable inspection documents or the First Article Inspection (FAI) Report.

13. Shipping

- A. All goods supplied hereunder shall be suitably packed, marked and shipped in accordance with TMF's instructions, or absent such instructions, in accordance with the requirements of common carriers in a manner to secure lowest transportation costs, and no additional charge shall be made to TMF unless otherwise provided on the face of this document.
- B. Packing slips shall accompany each shipment.
- C. Original bill of lading or other shipping receipt for each shipment shall be promptly forwarded to Seller in accordance with TMF's instructions.
- D. Seller shall describe goods on bill of lading or other shipping receipt and route shipments in accordance with TMF's instructions.

14. Miscellaneous

This contract constitutes the entire agreement between the parties relating to the goods and services supplied hereunder. No modification of this contract shall be binding upon TMF unless made in a writing signed by TMF's duly authorized representative. Seller shall not, in whole or in part, assign, subcontract or delegate its rights and obligations under this contract without the prior written consent of TMF; any reference to subcontractors elsewhere in this Agreement does not constitute a waiver of Seller's obligations to obtain the prior written consent of TMF as aforesaid. No waiver by TMF of a default shall be deemed a waiver of any subsequent default. Captions used herein shall have no substantive significance. The terms of this contract shall be governed by and construed in accordance with the laws of the state in which TMF issued this PO.

15. Certifications

One set of certifications (certs) are required with each shipment (two sets of certs are required if raw material is being purchased). Seller is responsible for the qualification of personnel to adequately produce and inspect to requirements as identified by TMF specifications. TMF PO number is to be included as a reference on all certs. Invoices will not be paid without certs. All material specifications and processing must be to the latest specification levels.

16. Access to Facilities

TMF and/or its customers, including but not limited to the U.S. Government, Federal Aviation Administration or other Regulatory Agency, shall be allowed access to Seller's facilities, processes and procedures, in the performance of this PO.

17. First Article



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If specified on this PO, Seller shall conduct a First Article Inspection (FAI) on a product representative of the first production run at all levels including components (non-Commercial Off-The-Shelf), subassemblies, and assemblies manufactured. FAI shall be performed in accordance with SAE AS9102 using the represented form/format where practical. A Dimensional Inspection Map (DIM), or "Bubble Drawing," shall accompany each FAI documentation package. Any change to drawings or in Seller's manufacturing process that affects the parts produced will require a Delta FAI for all changes. The SAE AS9102 form(s) shall be submitted with Delta FAI parts and parts tagged for verification at TMF.

18. Approved Sources of Supply

When specified by the Quality Note on the Purchase Order, only sources approved by TMF are to be used for the performance of special processes (i.e. plating, heat treating, NDT, etc.) as required in the drawing and/or specifications. TMF will identify the approved sources with each purchase order. Failure to utilize the appropriate approved sources is cause for rejection.

19. Change Notification

Seller shall notify TMF of any changes in product, process, materials, or manufacturing facility location prior to the shipment of product.

20. Record Retention Requirements

Unless otherwise specified on this PO, the minimum record retention for all quality records shall be (10) ten years. This shall apply to subtiers and special processing sources.

21. Nonconforming Product

Seller shall provide TMF with advance notification of any nonconformance to requirements or specifications. Seller shall obtain approval from TMF and/or TMF's customer for the disposition of the nonconforming product.

22. Ethical Behavior

Ethical behavior refers to how an organization ensures that its decisions and actions conform to the organization's moral and professional principles. These principles should support all applicable laws and regulations and are the foundation for the organization's culture and values. Ethical behavior tends to be good for business and involves demonstrating respect for key moral principles that include honesty, fairness, equality, dignity, diversity and, individual rights, and should include a safe, healthy and productive work environment for its personnel.

23. Flow Downs

Supplier shall flow down to the supply chain the applicable requirements including the customer, regulatory and statutory requirements.

24. TMF General Terms and Conditions

This TMF Document is available at www.tmf-inc.com.



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25. QUALITY NOTES — The following quality notes apply when referenced on the Purchase Order.

QN ID	DESCRIPTION	REV	DATE
QN-01	Supplier shall: a. keep records relating to all work on this PO and the records shall include PO number, date shipped, quantity shipped, and part number; b. obtain approval from TMF and/or TMF's customer for the disposition of nonconforming product, if any, and provide approved change documents, including nonconformance reports, with the delivered product; c. notify TMF of any changes in product, process, subcontractor, or facility location; d. flow down to the supply chain any customer, regulatory, and statutory, and other applicable requirements; and e. and grant right of access to TMF, its customer, or regulatory authorities to the applicable areas of all facilities at any level of the supply chain, involved in the order, and to all applicable records.	B	10-22-18
QN-02	QMS Compliance — Supplier's Quality Management System shall comply with the requirements of ISO9001 at minimum.	B	06-12-19
QN-03	QMS Certification — Supplier's Quality Management System shall have third party registration / certification to the requirements of one or more of the following systems: ISO 9001, AS9100, AS9120, A2LA, or NADCAP.	B	12-04-14
QN-04	ITAR — Supplier shall maintain current ITAR registration. Alternatively, Supplier shall sign TMF's ITAR Compliance Acknowledgement (Form QSF_5.1a).	B	07-24-17
QN-05	DFARS 252.225-7008 & 252-225-7001 are required for this PO.	A	9-19-17
QN-06	<i>RESERVED for special customer-specified flow down requirements, including regulatory flow-downs.</i>	A	09-19-13
QN-07	Calibration of Measuring & Test Equipment (M&TE) — Supplier shall maintain calibration records traceable to NIST.	A	09-19-13
QN-08	First Article Inspection — Supplier shall maintain documented evidence of conformance to specifications.	A	09-19-13
QN-09	First Article Inspection in accordance with SAE AS9102 — Supplier shall maintain documented evidence of conformance to specifications and ensure documentation accompanies first shipment.	A	09-19-13
QN-10	Final inspection data are required to be shipped with this PO.	A	09-19-13
QN-11	MSDS documentation shall accompany the initial shipment.	A	09-19-13
QN-13	Certificate of Conformance (C of C) — Supplier shall provide its own Certificate of Conformance for all products, materials, or services upon delivery. C of Cs for material and processing (heat treat, coatings, welding, etc) shall be to the latest revision unless otherwise specified on the PO. C of Cs shall specify the revision level.	B	12-04-14
QN-14	Material & Test Reports (M&TRs) shall be provided and included with the delivered product.	A	12-04-14
QN-15	All Limited- Life items require a label or certification document that references the applicable month/year the limited shelf- life item will expire.	B	12-04-14
QN-16	Supplier shall provide written notification when a nonconformance is determined to exist on product already delivered.	A	09-19-13



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QN-17	Customer-approved sources are required for customer-defined processes specified on the drawing.	A	09-19-13
QN-18	The Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM) referenced on this PO or attached drawing, as indicated by the manufacturer's unique part number, or as required by the applicable National Aerospace Standard (NAS), Aerospace Standard (AS) or Military Standard (MS), American Society of Mechanical Engineers (ASME), American Society for testing Materials (ASTM), must be the manufacturer of the items supplied on this PO. Unauthorized substitution of part numbers or counterfeit parts is not allowed.	A	08-02-17
QN-19	Seller shall provide OCM/OEM documentation that authenticates traceability of the required items to the applicable OCM/OEM.	A	08-02-17
QN-20	Conflict Minerals — Supplier shall maintain due diligence in determining the sources of material from the DRC and adjoining countries through smelters and refiners validated as DRC Conflict Free through the CFS or similar programs. Refer to CFSI website: http://www.conflictreesourcing.org/	A	8-17-18
QN-21	RoHS, Reach — Supplier shall provide documented evidence of RoHS & REACH conformity in the M&TR's and/or in their C of Cs when required.	A	8-17-18
QN-22	TMF-supplied product — Supplier shall ensure the product is protected from loss or damage while under the supplier's control. Supplier shall be liable for any lost or damaged product.	A	10-22-18
QN-23	Calibration Contractors a. Calibration Service Contractors must comply with A2LA, NADCAP, or ISO/IEC 17025 and their own Quality Program. Certifications must be current. b. All Measuring and Test Equipment (MTE) shall be calibrated in compliance with ANSI Z 540, ANSI/ISO/IEC 17025 and/or the manufacturer's recommendations for calibration. c. Certification of traceability to NIST shall be provided by the subcontractor for each piece of equipment calibrated. d. Care shall be taken to prevent MTE from loss or damage while under the supplier's control e. The subcontractor shall notify TMF Quality when equipment cannot be calibrated, is damaged, or is not fit for use. f. Certification of compliance to specified calibration standards shall be provided by the subcontractor. g. If regrade is applicable for damaged or out-of-specification devices TMF's Quality Manager shall authorize the regrade in writing. Supplier shall maintain records of the regrade with the authorization and certification for the equipment.	B	10-22-2018

Review and Approvals

Rev	Changes	Approved by	Date
D	Add language regarding product safety, counterfeit prevention, and ethical behavior (AS9100 Rev D)	D. Poggi	8/11/2017
E	Consolidated QNs	E. Potts	11/13/2018