



TERMS AND CONDITIONS

Form PUF002

All TRIUMPH STRUCTURES-WICHITA, INC. purchase orders that reference this document requires the supplier to comply with all Standard Clauses in this document. When the purchase order notes Special Clauses, the Standard clauses apply as well as those Special Clauses specifically noted on purchase order. In the event there are conflicts between this document, the purchase order, or the engineering requirements, or in the event the supplier needs assistance with interpretation of the requirements, supplier shall contact their TRIUMPH STRUCTURES-WICHITA, INC. TRIUMPH STRUCTURES-WICHITA, INC. for resolution of the problem.

STANDARD CLAUSES

1. ALTERATION OF TERMS

Acceptance of the terms of this order by acknowledgment, performance, or shipment shall be unqualified and unconditional and none of the provisions contained in this Purchase Order may be added to, modified, superseded, or otherwise altered except by a written instrument signed by an authorized representative of TRIUMPH STRUCTURES-WICHITA, INC. and delivered by TRIUMPH STRUCTURES-WICHITA, INC. to Supplier. Each shipment received by TRIUMPH STRUCTURES – WICHITA, INC. from Supplier shall be deemed to be only upon the provisions contained in this Purchase Order, notwithstanding any provision that may be contained in any commercial form of Supplier previously or hereafter transmitted to TRIUMPH STRUCTURES – WICHITA, INC., and notwithstanding TRIUMPH STRUCTURES-WICHITA, INC.'s acceptance of or payment for any shipment or the like.

2. DELIVERY AND PERFORMANCE

Delivery performance will be measured on all supplier deliveries, and results will be used in determination process for future quotes and purchase orders.

Performance will be rated as follows:

- The ratings will be calculated as “Percent On-Time Delivery”.
- The due date on the purchase order must be the date the item arrives at Triumph Structures - Wichita, Inc.
- Ratings will be calculated as the number of pieces received on time versus the number of pieces due.
 - The “number of pieces” in the calculation will be the quantity due on the purchase order. UOM will not impact the calculation. For instance, 100 inches of a raw material due on September 30th would be viewed as 100

pieces due and the calculation would assume that all 100 inches/pieces are required to complete the order.

- Partial shipments will be reflected in the on-time delivery metric. i.e. A receipt of 75 pieces against a total of 100 pieces due will result in a 75% on time delivery rating; likewise a receipt of 9.5 lbs of material against a total of 10 lbs due would result in a 95% on-time delivery metric. (Data integrity will be key.)
- The on-time delivery window will be +7 days early / -0 days late.
- Acceptability of Supplier delivery will be as follows:
 - 98% and up – supplier is in the “exceptional” delivery performance range
 - 96% - 97.9% - supplier is in the “satisfactory” delivery performance range
 - 90% - 95.9% - supplier is in the “at risk/needs improvement” delivery performance range
 - 89.9% and lower – supplier is in the “unsatisfactory” delivery performance range

3. TAXES

The price of the goods or services supplied hereunder includes all federal, state and local sales, use and similar taxes.

4. SUBCONTRACTING

Supplier may not subcontract any part of the work under this Order without prior written consent of TRIUMPH STRUCTURES-WICHITA, INC.

5. RIGHT TO MAKE CHANGES

TRIUMPH STRUCTURES-WICHITA, INC. shall have the right, by written notice, to make changes in the services to be rendered or the materials to be furnished by the Supplier, hereunder. Any such change requested by TRIUMPH STRUCTURES-WICHITA, INC. pursuant to such right shall be promptly negotiated for any possible equitable agreement as to the price.

6. INSPECTION

Supplier shall permit inspectors of TRIUMPH STRUCTURES-WICHITA, INC. or their Customers (including the United States government) to have access to the Supplier'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 TRIUMPH STRUCTURES-WICHITA, INC. inspection and rejection at TRIUMPH STRUCTURES-WICHITA, INC. plant or other places designated by TRIUMPH STRUCTURES-WICHITA, INC. notwithstanding prior inspections. Title shall not be deemed transferred on any defective goods or goods otherwise not conforming or fulfilling Supplier's warranty (express or implied) with respect to this Order (collectively "Defective Goods"), and hence no payment, including freight, shall be due with respect to the same. Defective Goods shall be held for Supplier's inspection and at Supplier's risk, and if Supplier so directs, shall be returned at Supplier's expense, and in addition to TRIUMPH STRUCTURES-WICHITA, INC. other rights. Any payment by TRIUMPH STRUCTURES-WICHITA, INC. shall not be construed as an acceptance of Defective Goods. Nothing contained herein shall relieve Supplier from its obligations of testing, inspection and quality control.

7. WARRANTY

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

8. TERMINATION

TSWI reserves the right to terminate the purchase order in whole or in part that is outside supplier quoted lead time without incurring liability to TSWI by written notice to Seller. In the event of such termination, Seller shall immediately stop all work, and shall immediately notify any of its supplier or subcontractors to cease such work. Seller has thirty (30) days to respond from the date of notification of termination of the Purchase order. Seller shall be paid a reasonable termination charge, consisting of a percentage of the order price reflecting the percentage of the work performed prior to the notice of termination. Seller shall not be paid for any work done after receipt of the notice of termination, nor for any cost incurred by Seller's suppliers or subcontractors unless authorized by TSWI, which Seller could reasonably have avoided.

9. INDEMNIFICATION

Except where goods are to be provided from specifications, designs, or processes furnished by TRIUMPH STRUCTURES-WICHITA, INC., Supplier shall defend, indemnify and hold harmless TRIUMPH STRUCTURES-WICHITA, INC. from any loss or damage sustained by and from and against all claims asserted against TRIUMPH STRUCTURES-WICHITA, INC. arising from any alleged infringement of any trademark, patent, copyright or other proprietary right, by reason of the sale or use of goods and/or services supplied hereunder and if any of these goods or services or any part thereof is held to constitute infringement and its use is enjoined, Supplier shall at its own expense either procure for TRIUMPH STRUCTURES-WICHITA, INC. the right to continue to use such goods or services or part thereof or replace them with non-infringing goods or services.

Supplier shall defend, indemnify and hold harmless TRIUMPH STRUCTURES-WICHITA, INC. from and against any claims asserted against it for injuries or damage to property arising in whole or in part from any act or omission of Supplier, its agents, servants, employees, representatives or subcontractors with respect to the goods or services supplied hereunder including those claims arising in whole or in part out of the negligence of TRIUMPH STRUCTURES-WICHITA, INC. Supplier waives and releases TRIUMPH STRUCTURES-WICHITA, INC. from all rights of contribution or indemnity to which it may otherwise be entitled.

10. TRIUMPH STRUCTURES-WICHITA, INC.'S PROPERTY

All property of TRIUMPH STRUCTURES-WICHITA, INC., furnished or made available to Supplier for performance of work under this Purchase Order, shall be segregated from Supplier's property and be marked and identified as TRIUMPH

STRUCTURES-WICHITA, INC.'s property. Such property shall be used exclusively for performance of Supplier's obligations under this Purchase Order and shall be returned to TRIUMPH STRUCTURES-WICHITA, INC. at its written request, or upon termination, cancellation or completion of this Purchase Order. Supplier agrees to maintain such property in good condition and assume all risks and liabilities for loss or damage thereto and will purchase insurance to cover the replacement cost of such property.

Provisions of the above and forgoing shall apply to TRIUMPH STRUCTURES-WICHITA, INC.'s customer furnished property which TRIUMPH STRUCTURES-WICHITA, INC. furnishes to the Supplier in support of this Purchase Order with the same force and intent as if that property was the property of TRIUMPH STRUCTURES-WICHITA, INC.

11. USE OF INFORMATION

Supplier shall not disclose to any person or entity, other than those employees of Supplier who have a need to know, any information of TRIUMPH STRUCTURES-WICHITA, INC., whether written or oral, which Supplier may obtain from TRIUMPH STRUCTURES-WICHITA, INC. or otherwise in performance of this purchase order.

12. INSURANCE

Supplier shall carry insurance protection sufficient to meet all the liabilities that are mentioned herein.

13. COMPLIANCE WITH LAW

Supplier shall comply with all applicable federal, state and local laws, regulations and orders. Furthermore, this agreement shall be deemed to have been made at Wichita, Kansas and its construction and the rights of the parties hereunder shall be governed by the laws of the State of Kansas.

14. EQUAL OPPORTUNITY CLAUSE

Supplier shall not maintain segregated facilities or discriminate against any employees because of age, race, color, religion, sex or national origin or any other ground prohibited by law. Supplier shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their age, race, color, religion, sex or national origin. Supplier shall post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this Equal Opportunity Clause.

QUALITY ASSURANCE PURCHASE ORDER CLAUSES

Clauses identified with QA followed by a digit are applicable to all Purchase Orders, Clauses identified with a QAR followed by a digit are "Special Clauses" and may or may not apply to your Purchase Order.

QUALITY ASSURANCE CLAUSES

QA1. QUALITY SYSTEM

TRIUMPH STRUCTURES-WICHITA, INC. recognizes that one particular QMS may not fit all Suppliers; therefore consideration must be taken based on the type of product or service provided.

In accordance with the specific requirements of this order, Supplier shall develop and maintain a QMS that as a minimum meets MIL-I-45208. Supplier may be required based on the type of service provided, to develop and maintain a system that is at a minimum AS9100 compliant or in some cases registered.

The objective of the Supplier is to assure the highest level of standard is provided for product and service to aerospace application.

Supplier's calibration system shall comply with the applicable and latest revision of ANSI Z540 and/or ISO 10012.

The Suppliers system is subject to review and approval at all times by TRIUMPH STRUCTURES-WICHITA, INC.

QA2. CERTIFICATE OF COMPLIANCE

Each shipment shall contain a certificate of compliance that the product meets the requirements of the engineering and purchase order. The certificate shall include as a minimum:

- 1) Name and address of the Supplier
- 2) TRIUMPH STRUCTURES-WICHITA, INC. purchase order number
- 3) Date the Certificate of Conformance was issued.
- 4) Part number, description and revision letter.
- 5) Specification, number and revision letter of each process including type, grade, class and acceptance criteria.
- 6) Quantity of parts (to include quantity accepted/rejected/lost)
- 7) Lot number, heat number, etc... as applicable
- 8) When parts are serialized, serial numbers must appear on the certification.
- 9) Supplier shall provide a copy of all certificates of compliance from supplier's subcontractor.
- 10) A statement that all inspections, processing and tests have been performed as required by the drawing requirements and/or purchase order.
- 11) Legible and reproducible copies of all raw material, processing, test and hardware certifications needed to produce the part in accordance with the engineering drawing and/or purchase order requirements.
- 12) Signature and title of authorized representative.

QA3. APPROVED SOURCES FOR SPECIAL PROCESSING

If this order is for production work that includes special processes, supplier shall use only those processors approved by TRIUMPH STRUCTURES-WICHITA, INC.'s customer for that process. Supplier should contact TRIUMPH STRUCTURES-WICHITA, INC. QA for assistance in assuring that supplier uses only approved Processors.

QA4. FIRST ARTICLE INSPECTION REPORT

If this is the first time this part number is delivered to TRIUMPH STRUCTURES-WICHITA, INC., the supplier is required to submit a copy of a completed and signed AS9102 First Article Inspection Report (FAIR) with the first shipment. Changes to the engineering drawing or Supplier's manufacturing process, relocation of equipment, physical relocation of the facility or an interruption of the manufacturing of the part exceeding 18 months will require a Delta FAIR. Otherwise the completed and signed AS9102 FAIR is required to be on file at Supplier's facility for those parts referenced on this purchase order.

A copy of the FAIR report may be required to be provided at any time at no extra cost.

QA5. RIGHT OF ACCESS

In the execution of this purchase order, TRIUMPH STRUCTURES-WICHITA, INC., and/or its prime contractor, including Regulatory Agencies, will be permitted on site to review supplier facilities and procedures, as deemed necessary.

QA6. NONCONFORMING MATERIAL CONTROL

All products or processes found nonconforming by the supplier or sub tier to the engineering drawings, specifications, or purchase order, shall be identified, segregated and reworked or replaced with conforming products or processes prior to delivery to TRIUMPH STRUCTURES-WICHITA, INC.

In the event that the supplier needs to submit a request for MRB approval, the supplier shall submit a completed NCR form to their TRIUMPH STRUCTURES-WICHITA, INC.. The supplier is responsible to segregate and keep parts locked to prevent delivery to TRIUMPH STRUCTURES-WICHITA, INC. until the NCR is processed and dispositioned. A copy of the NCR will be returned to the supplier showing final MRB disposition. A "Use as Is" or "Repair" disposition by MRB does not relieve the supplier of the legal responsibility and liability for such products.

QA7. NOTIFICATION OF ESCAPE

The supplier has the responsibility to notify TRIUMPH STRUCTURES-WICHITA, INC. immediately of any items that were provided and later discovered by the supplier to be defective. This notification of escape shall include as a minimum purchase order number, part number, suspected quantity, and discrepancy noted.

QA8. RECORD RETENTION

Supplier is required to maintain on file all records pertaining to the completion of this order for a minimum of 7 years unless otherwise specified.

QA9. FOREIGN OBJECT DEBRIS (F.O.D.)

Supplier shall assure cleanliness of products provided. Delivered product must be clean and free from any debris, such as machined chips, burrs, grinding dust, forming materials, corrosion, oil and other foreign material on surface to prevent F.O.D. entrapment.

SPECIAL CLAUSES

QAR1. LIMITED SHELF LIFE ITEM

If this is a Limited Life item the Supplier shall ensure that at least 85% of the item's shelf life is remaining upon receipt. Supplier shall ensure that containers are plainly and legibility marked as to the contents, expiration date, and any warnings, precautions, instructions and storage conditions. Certification for shelf life conditions are required to be shipped with this order.

QAR2. SOURCE INSPECTION

- 1) TRIUMPH STRUCTURES-WICHITA, INC. acceptance is required prior to shipment. Notify TRIUMPH STRUCTURES-WICHITA, INC. Program Manager at least 48 hours before shipment.
- 2) TRIUMPH STRUCTURES-WICHITA, INC.'s customer inspection acceptance is required prior to shipment of this order. Upon receipt of this order, supplier shall contact TRIUMPH STRUCTURES-WICHITA, INC. Program Manager to coordinate and plan our customer's inspection.
- 3) Government inspection is required prior to shipment from your plant. Upon receipt of this order, promptly notify the Government Representative who normally services your plant so that appropriate planning for Government inspection can be accomplished.
- 4) On receipt of this order, promptly furnish a copy to the Government Representative who normally services your plant or, is none, to the nearest Army, Navy, Air Force, or Defense Supply Agency Inspection Office. In the event the representative or office cannot be located, TRIUMPH STRUCTURES-WICHITA, INC. Program Management should be notified.

QAR3. FIRST PART APPROVAL REQUIRED

Supplier shall submit first part to TRIUMPH STRUCTURES-WICHITA, INC. QA for inspection acceptance prior to running the production of parts on this order. TRIUMPH STRUCTURES-WICHITA, INC. will provide supplier with an inspection report stating the findings of our inspector. All nonconforming issues raised by TRIUMPH STRUCTURES-WICHITA, INC. QA must be corrected and a new first part submitted for approval before production of parts on this order.

QAR4. APPROVED MANUFACTURING PLAN

Prior to beginning production on this order, supplier must provide and obtain TRIUMPH STRUCTURES-WICHITA, INC. QA approval of the manufacturing plan for the product. The plan must include the raw material required for manufacture (by alloy, temper and specification), detail of the manufacturing process, definition of the special processes and identity of the subtier suppliers (by name and complete address) who are to perform the special process. All specifications noted in the manufacturing plan must be to the current applicable revision level as of the date of placement of this order, unless otherwise specified in the purchase order.

QAR5. CERTIFICATION OF CALIBRATION

This order is for calibration services. Each gauge you calibrate for TRIUMPH STRUCTURES-WICHITA, INC. must be accompanied with a Calibration Certification. The contractor's calibration system must comply with ANSI/NCSL Z540-1 or ISO 10012-1. All Certifications will state, as a minimum, that all standards used are traceable to the National Institute of Standards and Technology, date of calibration, date of expiration, list those standards used and the technician's signature.

QAR6. STATISTICAL PROCESS CONTROL (SPC)

When Key Characteristics are identified on the engineering drawing or on the purchase order, Supplier is required to meet the minimum required capability. Until the minimum has been achieved all key characteristics or process results shall be 100% inspected. Supplier is responsible to ensure that sub-tiers meet the same requirement.

The supplier shall retain records indicating that all Key characteristics/processes meet or exceed the minimum Cpk. Supplier shall provide copies of these records upon request.

REVISION RECORD

6/22/09: Terms and conditions revised to bring document up to date.

8/31/09: Item 2 in “Standard Clauses” revised to define the “Delivery Metric Process”.

10/20/10: Revised “Standard Clauses” #8 “Termination” in its entirety.