



Bulletin #AFS-SCM-25-002

11/12/2025

Subject: Notice to Suppliers — Implementation of Discrepant Report/Discrepant Item (DR/DI) Cost Recovery Initiative (Effective November 12, 2025)

Dear Valued Supplier,

Aurora Flight Sciences is committed to partnering with our supply base to build a zero-defect culture. To support that commitment and to recover costs associated with product nonconformances, we are implementing a Discrepant Report/Discrepant Item (DR/DI) cost recovery initiative effective November 12, 2025 for all suppliers on the Gulfstream Program.

Summary of the Initiative:

- When a product is identified as nonconforming prior to shipment or upon receipt at Aurora, and Aurora requests to use that product “as-is” we must issue a Discrepant Report/Discrepant Item to Gulfstream. When Gulfstream reviews a DR/DI, Aurora is assessed a \$1,300 charge. Aurora will recover \$1,300 per DR/DI from the nonconforming supplier. Aurora reserves the right to adjust this amount when necessary.
- This approach aligns with the Supplier Nonconformance Debit (SND) initiative that has been in effect since September 4, 2025.
- Since Gulfstream initiated this in 2018, Aurora has participated and paid all costs associated with this program to Gulfstream. Aurora is now formalizing supplier participation in this process.

What suppliers need to know:

- DR/DI cost recovery will be applied to applicable nonconformances on or after the date of this bulletin.
- Responsibility: Suppliers are expected to prevent nonconformances through robust quality controls, timely communication of discrepancies, and effective corrective actions.
- Documentation: When Aurora issues a DR/DI or requests disposition for nonconforming product, the associated \$1,300 will be included in our claims process unless otherwise adjusted by Aurora.

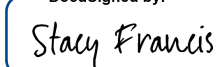
Next steps and support:

- Review your quality processes and controls to reduce the likelihood of DR/DIs.
- Ensure your supply chain and quality teams are prepared to respond to DR/DIs and to support containment and corrective action activities.

We value our relationship with our suppliers and appreciate your cooperation in improving product quality and reducing nonconformances. Thank you for your continued partnership and commitment to advancing the future of flight.

Sincerely,

DocuSigned by:


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Stacy Francis

Director of Supply Chain Management
Aurora Flight Sciences

Aurora Flight Sciences

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