

## Purchase Order Terms and Conditions

1. The supplier ("**Supplier**") that is referenced on the Purchase Order (the "**PO**") hereby agrees to provide the goods or products (the "**Products**") and perform the services (the "**Services**") or either of them, as applicable, as set forth on the PO, to the customer identified on the PO ("**Customer**").
2. **Consideration.** The Products or Services shall be provided by Supplier for the sole consideration as set forth on the PO and in accordance with (i) these terms and conditions (the "**Terms and Conditions**") which form an integral part of the PO, and (ii) such specific terms as set forth on the PO.
3. **Conflicts.** In the event of a conflict between the PO and these Terms and Conditions with respect to payment, quality, packaging or delivery terms, the PO shall govern. If Customer and Supplier have executed a separate agreement specific to the Products and Services or either of them, as applicable (the "**Agreement**"), these Terms and Conditions shall not apply.
4. **Acceptance.** Each PO constitutes Customer's offer to Supplier and shall become a binding agreement upon acceptance by Supplier by any expression of acceptance, or commencement of performance, whichever occurs first.
5. **No Modification of Terms.** Any terms and conditions proposed by Supplier in acknowledging or accepting Customer's offer which are different from or in addition to those found on the PO or these Terms and Conditions shall **NOT** be binding upon Customer and shall be void and of no effect, except to the extent expressly accepted in writing by Customer.
6. **Payment and Invoices.** Except as otherwise expressly stated on the PO, Customer shall pay undisputed invoices within sixty (60) days after receipt of the invoice, in the currency specified on the PO. If no currency is specified, payment shall be in Canadian funds. No interest shall be payable on overdue amounts. All pricing, fees and applicable transportation or additional reimbursable expenses must be specified on the PO, failing which Customer shall have no obligation to pay for such unspecified amounts. Other than applicable sales taxes, Customer shall not be required to pay any amounts not expressly identified on the PO. Mode of payment shall be at Customer's discretion unless otherwise specified on a PO. Customer has partnered with Ariba Inc. for electronic invoicing and document transmission and requires its suppliers to become enabled on the Ariba network for invoicing and payment and the supplier shall pay all costs associated therewith. Invoices received that do not match the Customer's PO or Repair Order without prior written approval by Customer will result in delayed or non-payment of the invoice.
7. **Taxes.**
  - a. Prices or fees specified in the applicable PO will be exclusive of all sales, use, excise, added value and similar taxes, and all customs, duties or governmental impositions but inclusive of any other incidental costs including without limitation all freight, insurance and packing charges, unless provided otherwise on the PO. All taxes to be paid by Customer must be separately itemized on the invoice. Supplier shall submit invoices in compliance with the tax legislation in the local jurisdiction and showing applicable PO number, description of goods, quantity, unit prices, extended totals, completion date of services (if any), shipping date, product serial numbers and any other information reasonably requested by Customer.
  - b. In the event that any payment to be made in respect of any invoice issued by Supplier pursuant to a PO is subject by law to any withholding tax, Customer shall make payment to Supplier of the amount owing, less a deduction for such withholding tax and shall account to the relevant tax authority for the appropriate withholding tax. Payment of such net sum to Supplier and to the relevant tax authority of the said withholding tax shall, for the purposes of these Terms and Conditions, constitute full settlement of the sums owing under the relevant PO. Customer hereby

agrees that it will, upon written request from Supplier and at Supplier's expense, furnish any necessary evidence that may reasonably be required of the payment of the said withholding tax.

8. **Cancellation and Changes.** Customer reserves the right to cancel a PO at any time prior to shipment of the Products or performance of the Services and shall not be subject to any charges or other fees whatsoever as a result of such cancellation, unless the terms on the PO specify otherwise. Customer may by written communication, make changes to any PO relating to quantity, specifications or other attributes of the Products or Services, or the place or time of delivery, subject to acceptance by the Supplier and an equitable adjustment in the price, delivery schedule, or both, where such changes are reasonably expected to adversely affect Supplier's ability to perform its obligations under a PO.

9. **Packing and Shipping.**

- a. All Products shall be suitably prepared for shipment and must be labeled, packed and shipped in accordance with Customer's instructions as may be specified in the PO and/or in any written directions as may be provided by Customer to Supplier from time to time. Supplier shall ship Products FOB ("Free on Board") Destination within the prescribed time period and all risk of loss or damage to the Products shall be the responsibility of Supplier until delivery at the destination nominated by the Customer or final acceptance by Customer, whichever is later. If the Products are not shipped in accordance with Customer's instructions section 9(b) below shall apply. Unless otherwise expressly stated in the PO, Supplier shall not charge Customer for labeling, packing, boxing or crating and Supplier shall bear all costs of shipping unless otherwise specified in the PO. The applicable PO number must appear on all shipping containers, packing lists, delivery tickets and bills of lading.
- b. Acceptance of deliveries not in conformance with Customer's instructions shall not be deemed a waiver of Customer's right to hold Supplier liable for any loss or damage to Customer or modify Supplier's obligation to make future deliveries in conformance with these Terms and Conditions. Shipments which do not conform with Customer's instructions per these Terms and Conditions or the PO may be returned to Supplier and Supplier shall pay Customer for all handling and transportation costs incurred in connection therewith.

10. **Acceptance and Title.** Unless otherwise specified on the PO, Customer's acceptance of the Products and/or Services shall occur when (i) the Products have been satisfactorily delivered pursuant to Customer's instructions and inspected, and/or the Services have been fully performed, and (ii) the Products and/or Services meet all applicable performance criteria set forth in the PO and these Terms and Conditions. Customer will notify Supplier within a reasonable time from the date the Products and/or Services have been received or completed if Customer has rejected the Products and/or Services (a "Rejection Notice"). Unless otherwise specified on a PO, in the event that Supplier does not receive a Rejection Notice within fourteen (14) days following completion of the Services or receipt of the Products, then such Products or Services shall be deemed to be accepted by Customer. For greater certainty, Customer's payment of any invoice shall not be deemed to be acceptance of Products and Services, or either of them, as applicable. Title to any Products shall pass to Customer upon acceptance by Customer.

11. **Safety.** Where Supplier provides Services or installs Products at Customer's premises, including on aircraft owned or operated by Customer, Supplier is fully responsible for the safe performance of such undertakings in accordance with all applicable laws and industry standards and or ensuring the security of Customer's operations during such performance. Furthermore, Supplier shall, and shall cause its personnel and contractors to comply with all applicable laws and regulations and all of Customer's rules, regulations and policies applicable to the safety, security and conduct of personnel on Customer's premises or aircraft, as applicable, including Customer's Safety Management System and "directives to contractors".

12. **Warranties.** Supplier hereby warrants that:

- a. it has the experience, expertise, resources, applicable regulatory approvals and required certifications (particularly for aircraft parts) that are necessary to fulfill its obligations under this PO;
- b. it has good and marketable title to the Products, free and clear of any and all claims, charges or other encumbrances, and that it has full authority to transfer title to the Products to Customer;
- c. it has the right to use and sell the Products and/or provide the Services (including all related deliverables);
- d. the Services and/or any installation of Products, as applicable, to be carried out by Supplier shall be carried out in a diligent and competent manner using the degree of care and skill ordinarily exercised under similar circumstances by others performing services substantially similar to the work to be carried out by the Supplier, free of deficiencies and meet or exceed the standards for such work as are generally acceptable in the industry; and
- e. all Services performed by Supplier and all Products or items delivered by Supplier in performing the Services, as applicable, shall be and remain under warranty for a period of twelve (12) months following acceptance by Customer or such other period as may be shown on the PO but in any event, shall be no less than such twelve (12) month period (the "**Warranty Period**"), and shall be of merchantable quality, free of defects in workmanship and fit for Customer's intended purpose during the Warranty Period.

13. **Deficiencies.** If Customer determines that a deficiency or defect exists in any of the Products and Services, or either of them, during the Warranty Period, Customer shall notify Supplier of the deficiency in writing (the "**Deficiency Notice**"). Forthwith following receipt of the Deficiency Notice, subject to Section 14 below, Supplier shall at Customer's option, either: (i) re-perform any deficient work or replace defective items at no additional fees or charges to Customer, including without limitation any shipping and freight costs; or (ii) refund the fees paid by Customer for such deficient work or defective items.

14. **Warranty Process for Deficiencies.** Upon receipt of a Deficiency Notice, or if Supplier independently discovers a deficiency or defect in accepted Products and/or Services, Supplier shall promptly submit to Customer at no cost to Customer, its recommendation for corrective action, with supporting information in sufficient detail for Customer to determine what corrective action, if any, shall be undertaken. Following receipt of Supplier's recommendation and adequate supporting information, Customer may give Supplier written notice to correct any deficiency or replace defective items. Supplier shall promptly comply with any written direction by Customer to correct a deficiency or defect, at no cost to Customer. If Supplier fails or refuses to present recommendations or take corrective action as set forth above, Customer may, at the sole cost of Supplier, take such corrective action it deems necessary to remedy the deficiencies or defects.

15. **Release and Indemnity.** Supplier hereby releases and shall indemnify and hold Customer (and its officers, directors, employees and agents) harmless from any and all claims, damages, losses and/or expenses, including but not limited to reasonable legal fees and charges (collectively, "**Losses**") claimed by itself or any third party, arising out of Supplier's provision of Products and/or Services under the PO, as applicable, or Supplier's breach of any provision of the PO or these Terms and Conditions, except to the extent such Losses are caused by the negligence of Customer. For greater certainty, Supplier's obligation to indemnify shall include, but not be limited to, any cause of action, suit, action, proceeding, claim or demand based upon actual or alleged infringement of any third party intellectual property arising from Customer's use of the Products and Services, except to the extent such infringement arises solely from (i) Customer's modification of the Products or Services following final acceptance from Supplier which have not been authorized by Supplier or the manufacturer of the Products or (ii) Customer's use of the Products or Services in clear violation of the manufacturer's directions or these Terms and Conditions.

16. **Term.** Except as otherwise set forth on the PO, the term of the PO shall commence on the date of issuance of the PO and shall expire on the date on which all obligations of the parties have been discharged or fulfilled, unless earlier terminated pursuant to these Terms and Conditions.

**17. Termination.**

- a. **Termination for Cause.** Either party may terminate any PO upon written notice to the other party (the “**Defaulting Party**”) if the Defaulting Party: (i) fails to perform or otherwise materially breaches any term of this PO and such failure or breach is not remedied within seven (7) days of its receipt of written notice to do so and identifying the breach with reasonable particularity; (ii) files a petition in bankruptcy, becomes insolvent, or dissolves or makes any assignment for the benefit of creditors or a receiver is appointed for any of Supplier’s property; (iii) breaches any confidentiality obligations; or (iv) assigns or attempts to assign this PO in whole or in part to a third party without prior written consent of Customer.
- b. **Termination Without Cause.** Customer may terminate any PO in whole or in part at its discretion and without any liability to Supplier for damages or loss (whether direct or indirect) upon giving at least thirty (30) days written notice to Supplier, or such other time frame as may be set out on the PO. In such event, Customer’s sole liability shall be for payment of the Products supplied and Services performed and accepted by Customer prior to the date of termination specified in such notice. Supplier shall cease to provide goods under the applicable PO on the date of termination specified in such notice.
- c. **Work Product.** Upon the termination of the PO for any reason, Supplier will promptly deliver to Customer at the expense of Supplier and in accordance with Customer’s instructions, all work product (whether in process or completed) created by Supplier pursuant to such PO prior to the date of termination and all Customer’s Confidential Information.
- d. **Survival on Termination.** The termination of any PO shall not affect any obligation of the parties incurred before the termination date. Notwithstanding the termination or expiration of the PO, the terms of this Agreement which by their context, intent and meaning are intended to survive the termination or expiration of the PO shall survive any termination or expiration of the PO including but not limited to sections 6 through 9, 11 through 13, 15, 18, 19, 21, 24, 25 and 26.
- e. **No Liability.** If this PO is terminated, Customer’s liability under the PO is limited to payments due to Supplier up to the effective date of termination and Supplier agrees to accept the amount paid as full and final settlement and satisfaction of all claims of every nature and kind whatsoever arising from the termination, and releases Customer from any further liability in connection with the PO.

**18. Confidentiality.**

- a. Supplier shall keep information about Customer or received from Customer, confidential (“**Confidential Information**”) and agrees to only use such Confidential Information for the purposes of carrying out the Services and providing the Products, or either of them, as applicable and for no other purpose whatsoever. The use and disclosure of the Confidential Information shall not apply to information which: (a) was known to Supplier before receipt thereof from Customer without an obligation of confidentiality; (b) becomes publicly known other than through Supplier or third parties in violation of confidentiality obligations owed to Customer; or (c) is disclosed pursuant to the requirements of a governmental authority or judicial order, provided that in such circumstances, Supplier shall provide Customer with prompt notice of such requirement such that Customer may apply for injunctive relief or redact such information.
- b. Supplier shall return to Customer, forthwith upon request, all Confidential Information and other property of Customer provided to Supplier by Customer for use by Supplier in carrying out its obligations under the PO and these Terms and Conditions.
- c. Supplier shall not refer, expressly or by implication, to Customer or the PO in any advertising or any publicity release without first obtaining Customer’s written consent to same.

**19. Intellectual Property.**

- a. Supplier represents and warrants that: (i) it has the right to use and sell the Products and/or provide the Services (including all related deliverable) that may be covered by copyright, patent, industrial design or other intellectual property right; and (ii) where third party intellectual property is used or incorporated in the Products and/or Services, Customer is free to use the Products and/or Services in a manner consistent with Customer's intended purpose.
- b. Customer and Supplier shall each retain all right, title and interest in and to all of its respective intellectual property and other proprietary information including, but not limited to, database information, customer lists and information, technical, strategic or financial information, trademarks, copyrights, writings and original artwork, including any derivative works of such party's intellectual property or other proprietary information that may arise as a result of Supplier's provision of the Products and/or Services. Except as set forth below, neither party shall acquire, by reason of this PO or these Terms and Conditions, any rights, title or interest in or to the other party's names, trade names or trademarks or other intellectual property except to the extent expressly permitted by these Terms and Conditions and a PO.
- c. Where Supplier manufactures Products in accordance with specifications provided by Customer ("**Supplier Manufactured Products**") or where deliverables for Services to be performed include written reports, analyses, memoranda, documentation, formulae, designs, processes, devices and any improvements thereon or other work products delivered by Supplier to Customer (together with Supplier Manufactured Products, the "**Deliverables**"), such Deliverables shall be deemed works made for hire and upon delivery to Customer, such Deliverables and all intellectual property residing therein shall become the sole and exclusive property of Customer, except for (i) any proprietary information of Supplier marked as such, or (ii) third party intellectual property, which may be embodied in the Deliverables. Supplier shall, upon request, take all necessary steps to vest such rights in the Deliverables in Customer and to obtain the right for Customer to use any such third party intellectual property to the extent necessary to use the Deliverables in the manner intended by Customer or in connection with the Services provided hereunder and shall ensure that any moral rights in relation thereto are waived.
- d. Supplier hereby grants to Customer a perpetual, world-wide, irrevocable, royalty-free license to use all Supplier proprietary information which is embodied in the Deliverables, to the extent necessary to use the Deliverables in the manner intended by Customer or in connection with the Services provided hereunder.

20. **Insurance.** Supplier represents that it has, and for so long as the PO is in force, will maintain, at its own expense, in such amounts as Customer may reasonably require, adequate comprehensive general and product liability insurance (with endorsements covering contractual liability, cross-liability and severability of interests), written on an occurrence basis, with commercially reasonable limits, having regard to the Services and/or Products being provided to Customer and its obligations under the PO and these Terms and Conditions, which limits shall in no event be less than One Million (\$1,000,000) dollars.

21. **Audits.** Upon request, Supplier shall permit Customer or its designated representative to audit Supplier's accounting books and records to the extent necessary to verify Supplier's charges and invoices to Customer pertaining to completed and current POs. Supplier shall cooperate with and comply with all reasonable requests from Customer or its designated representatives in connection with such audit. The cost of the audit shall be at Customer's expense unless the audit discovers discrepancies in excess of twenty (20%) percent.

22. **Independent Contractor.** Supplier is an independent contractor. There is no relationship of joint venture, partnership or agency between Customer and Supplier. As between Customer and Supplier, ANY personnel provided by Supplier shall be and shall remain employees of Supplier. Supplier shall indemnify Customer and hold Customer harmless with respect to all claims, brought by any party, that are based on an employer - employee relationship arising out of Supplier's performance of the PO.

23. **Subcontracting.** Supplier may subcontract its obligations under the PO to a third party upon first obtaining the written consent of Customer, provided that the Supplier shall remain fully responsible for any Services, Products, work and activities undertaken by its subcontractors and any subcontract shall be subject to all of Supplier's obligations, responsibilities and warranties under the PO. All expenses of Supplier's subcontractors shall be borne by the Supplier.

24. **Dangerous Goods.** In the event that Supplier is providing dangerous goods or utilizing dangerous goods in providing Services, Supplier shall ensure that its employees and contractors are trained in accordance with all laws applicable to the transportation and use of dangerous goods to the extent required and shall provide evidence of same upon request. Supplier shall comply with Customer's policies and procedures relating to dangerous goods, which are available upon request, and in addition shall comply with all applicable laws. Supplier shall promptly reimburse Customer for the cost of fines or penalties issued to Customer by regulatory authorities that are due to noncompliance of Supplier or any of its contractors. Customer may, in its sole discretion, inspect and audit Supplier's dangerous goods procedures.

25. **Environment.** Supplier shall provide the Products and/or Services in full compliance with all applicable environmental laws, regulations and Customer's policies and directives. Supplier shall promptly remediate any environmental contamination caused by its noncompliance with same, or non compliance by its contractors. Supplier shall indemnify Customer and hold it harmless for all damages arising from all such noncompliance and shall promptly reimburse Customer for the cost of all fines and penalties issued to Customer by regulatory authorities, which are due to such noncompliance. Customer may, in its sole discretion, monitor and audit Supplier's performance in relation to same.

26. **Compliance with Laws.** Supplier shall comply with, and shall ensure it's employees, agents and subcontractors comply with, all applicable federal, provincial, state and municipal laws, regulations, by-laws and all other applicable orders rules, and regulations of any authority having jurisdiction respecting the Products and Services as applicable, including without limitation all applicable laws respecting the import, export, sale and shipping of the Products, all environmental laws and all applicable employment standards codes and workers compensation legislation or equivalent legislation.

**27. Customer End-User Undertaking.**

- a. Customer will not knowingly sell or export the goods contrary to the Export Control Legislation of Canada.
- b. Customer will not knowingly supply directly or indirectly, via 3rd party organizations, to commercial or military operators in Cuba, Iran, North Korea, Sudan and Syria, military operators in embargoed destinations, a sanctioned country or an entity/person that is owned or otherwise controlled by a listed country or entity/person prescribed within the applicable export control legislation of Canada or is on a denied party list prescribed by Canadian law;
- c. Customer further certify that it will not use the goods for any other purpose connected with chemical, biological or nuclear weapons, or missiles capable of delivering such weapons; that they will not be re-exported or otherwise re-sold or transferred by Customer if it is known or suspected by Customer that they are intended or likely to be used for such purposes; and that the goods, or any replica of them, will not be used by Customer in any nuclear explosive activity or unsafeguarded nuclear fuel cycle activity.

28. **Waiver.** Waiver by Customer of the strict performance of any term, condition, covenant, warranty or agreement in the PO or these Terms and Conditions shall not itself constitute a waiver or abrogate such term, condition, covenant, warranty or agreement, nor be a waiver of any subsequent breach of same or any other provision of the PO or these Terms and Conditions.

29. **Time.** Time is of the essence.
30. **Assignment.** Supplier shall not assign the PO, or any of its obligations hereunder, without the prior written consent of Customer and any attempt to make such assignment without such consent shall be void.
31. **Enurement.** The PO including without limitation, these Terms and Conditions, shall enure to the benefit of, and be binding upon, the lawful successors and assigns of Customer and Supplier, respectively.
32. **Severability.** Each of the provisions of the PO and these Terms and Conditions is distinct. Any term found to be illegal or unenforceable, in whole or in part, by a court of competent jurisdiction is deemed to be severed from the PO or these Terms and Conditions, as applicable. The severance of a provision does not affect the validity or enforceability of any other provision.
33. **Entire Agreement.** Subject to Section 3 above, with respect to the subject matter of the PO, the PO and these Terms and Conditions, or any written Agreement executed by the parties which pertain specifically to the Products and/or Services which are the subject matter of the PO, constitute the entire agreement between Customer and Supplier.
34. **Governing Law.** The PO and these Terms and Conditions are to be interpreted in accordance with and governed by the Province of Nova Scotia and laws of Canada applicable therein excluding any conflict of laws rules. Any proceedings relating to the subject matter of the PO shall be brought exclusively in the courts of the Province of Nova Scotia.
35. **No Exclusivity.** Nothing in the PO or these Terms and Conditions shall prevent Customer from procuring similar or competing Products and/or Services from a third party unless the PO expressly states otherwise on its face.
36. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to any Products purchased by Customer that are subject to these Terms and Conditions.
37. **English.** The parties do hereby confirm that these Terms and Conditions be in English only. LES PARTIES DECLARENT QU'ILS ONT EXIGI ET PAR LES PRESENTS CONFIRMENT LEUR DEMANDE QUE CE CONTRAT SOIT REDIGI EN ANGLAIS SEULEMENT.