

A. Entire Agreement

Entire Agreement: Subject to the terms of any master services or other similar agreement (MSA) in effect between Supplier and SKYTRAC Systems Ltd. (SKYTRAC) from time to time, these Terms and Conditions, together with the applicable Purchase Order (PO), constitutes the entire agreement of Supplier and SKYTRAC associated with the transaction contemplated by the PO. There are no other agreements, express or implied.

Conflict: If there is any conflict between these Terms and Conditions, the PO and any MSA, the terms of the MSA shall govern and prevail. If there is a conflict between these Terms and Conditions and any specific terms and conditions set forth in the PO, the terms and conditions set forth in the PO shall govern and prevail.

B. General

1) These Terms and Conditions also apply to all suppliers and subcontractors of Supplier, and Supplier is responsible to direct its suppliers and subcontractors to comply with all applicable Terms and Conditions herein, including SKYTRAC requirements for record retention and notification of nonconforming products and product/process changes.

2) In addition to these Terms and Conditions, the PO may specify additional terms and conditions applicable to Supplier.

3) The PO (along with these Terms and Conditions) becomes a binding contract when accepted by the Supplier in writing, including via email or through an order acknowledgement or similar form or communication.

C. Quality Management System

Supplier compliance and/or certification to ISO 9001, AS9100 or an equivalent standard is preferred, but not mandatory. Supplier shall maintain a quality program that insures adequate control of quality throughout the performance of the PO and which ensures all PO requirements and product specifications can be satisfied. A copy of any Management System Certificate of conformance to AS9100, ISO 9001 or other equivalent standard must be made available to SKYTRAC upon request.

Supplier is required to maintain a program to control and eliminate Foreign Object Debris (damage) and/or contamination during Supplier's manufacturing, assembly, test and inspection operations relevant to the PO.

Supplier performance will be monitored based on quality of deliverables, on-time delivery and responsiveness. Additional customer flow-down requirements will be added to the PO (as required).

D. Records and Retention

Supplier shall maintain all records relating to the manufacturing, inspection, testing, acceptance, rejection and certification of all products and services subject to the PO for a period of at least twelve years after completion of the PO. These records shall be made available for review upon request by SKYTRAC, its customers and/or governmental or regulatory authorities at any reasonable time during Supplier's normal business hours throughout the retention period. SKYTRAC, at its option, may elect to maintain these records on behalf of the Supplier.

E. Identification and Revision Status

The identification and revision status of specifications, drawings, process requirements, inspection/verification instructions and other required technical information shall be maintained relevant to the PO. All custom parts must list the SKYTRAC part number and revision on the packing slip.

F. Warranty, Counterfeit Parts

Supplier warrants that it has the ability to convey title in all products to SKYTRAC and that all products shall conform to the quality standards and specifications required by, and the warranty specified in, the PO.

Supplier shall prevent and mitigate the use of counterfeit parts. It is preferable that supplier complies with the requirements of AS5553 for electronic components and AS6174 for non-electronic products.

G. Non-Conformances, Material Disposition Authority and Correction Action

Material disposition, including repair and use-as-is, authority is retained by SKYTRAC. Any request to ship discrepant material must be in writing with a written approval from SKYTRAC prior to any disposition action. Supplier will notify SKYTRAC at the earliest possible time when discrepancies in the Supplier's process or product are discovered or suspected that have or may affect material or parts or assemblies delivered or to be delivered to SKYTRAC. Any item rejected by SKYTRAC that is being resubmitted by the Supplier after correction shall have an indication of those items on the Supplier's shipping document such as a RMA number. Corrective action may be required, stating the actions taken to correct discrepancies or for not meeting expectations. A corrective action plan is to be submitted to SKYTRAC within 15 days for corrective action requests issued to suppliers. Responses must include the underlying cause and corrective actions that include dates for action implementation.

H. Rights of Access

SKYTRAC, its customers and/or governmental or regulatory authorities may be required to visit Supplier's facilities for the purpose of verifying PO compliance, product conformity and records retention related to the PO. Arrangements for such visits will be coordinated with the Supplier.

I. Changes in Process, Design, etc.

Supplier agrees not to make any change in materials, process or design detail which would affect the products, any component part thereof, or rework/repair procedures without prior approval of SKYTRAC, and without revision of the part numbers and the originals of all applicable drawings or data. Supplier will ensure all of its applicable suppliers and subcontractors comply with this provision.

J. Inspection, Testing and Verification

Supplier is responsible for performing all of the PO requirements, including supplying the products or services required by the PO and inspections and tests necessary to substantiate conformance of products. This may involve the use of statistical techniques for product acceptance, related instructions for acceptance by SKYTRAC and, as applicable, critical items including key characteristics identified on the PO.

If applicable, requirements for test specimens (e.g., production method, number, storage conditions, etc.) for design approval, inspection/verification, investigation or auditing may be included in this responsibility.

Records demonstrating compliance with this clause must be created and retained in accordance with the "Records and Retention" section above.

Contract Manufacturing Services Suppliers shall have a process for on-going verification of visual acuity and colour vision for individuals performing product inspection.

K. Shelf Life Materials

Supplier will provide SKYTRAC with the manufacturing date, shelf life and expiration date for all limited shelf life items under the PO. All products will have at least 75% of their shelf life remaining at the time of shipment to SKYTRAC. All items will be packaged, labeled and transported in accordance with applicable regulatory requirements.

L. Certifications

A legible and reproducible copy of each manufacturer's Certificate of Conformance (CofC) is required, if applicable. Certifications shall be to the latest specification revision unless otherwise indicated by the PO. When Supplier furnishes the products under the PO, CofC will include the manufacturer's certification or distributor's certification. Payment for product received will not be made until all required certifications have been accepted.

SKYTRAC requires Material Certificates for all materials and coatings/finishes used in the manufacture of metalwork assemblies.

M. Providers of Calibration Services

As applicable, Supplier will perform calibration services in accordance with nationally accepted methods and procedures (e.g. accredited or compliant to ISO 17025 or ISO 10012 or equivalent) and will provide SKYTRAC with calibration certificates containing the appropriate information. Supplier will provide SKYTRAC with prompt notification of any out-of-tolerance conditions.

Supplier will use standards that conform to the applicable standards of The National Institute of Standards and Technology or an equivalent regulatory body, with acceptance tolerances in accordance with manufacturer's recommendations unless specified otherwise in the PO.

N. Designated Sources

Supplier agrees to use only those manufacturers designated in the approved product BOMs or sources designated on SKYTRAC's F405-2 Approved Supplier List for all BOM purchases.

O. Cancellation

SKYTRAC reserves the right to cancel all or any part of the undelivered portion of the product or services subject to the PO if (a) Supplier does not make deliveries or perform services as specified in the PO or (b) Supplier breaches any terms of the PO or these Terms and Conditions. If SKYTRAC exercises its cancellation right, it will have no further liability to Supplier whatsoever under the PO, other than for products previously delivered and services previously provided to SKYTRAC. Cancellation will not impact SKYTRAC's remedies against Supplier for any damages suffered by SKYTRAC prior to such cancellation.

P. Canada Modern Slavery Act

Supplier represents and warrants to SKYTRAC that no forced labour or child labour is used by it or within its supply chain in respect to any products or services provided to SKYTRAC, and that Supplier is in compliance with Canada's *Modern Slavery Act*.

Q. General Provisions

Subcontracting: Work performed against the PO shall not be subcontracted without the prior written consent from SKYTRAC

Amendments/Waiver: To be effective, all amendments to or waivers of these Terms and Conditions must be in writing and signed by each of Supplier and SKYTRAC.

Governing Law: The agreement resulting from acceptance of the PO will be construed, interpreted and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein, and each of Supplier and SKYTRAC submits to the exclusive jurisdiction of any British Columbia courts in any action, application, reference or other proceeding arising out of or relating to such agreement.