



STANDARD TERMS AND CONDITIONS

1.0 TERMS AND CONDITIONS

1.1 Definitions

The following definitions apply unless otherwise specifically stated:

- “Purchaser” Stelia Aerospace North America Inc.;
- “Vendor” Person or company providing services and/or supplies;
- “Goods” All Items, including raw materials, components, intermediate assemblies, end products, tooling and/or services to be delivered or performed under this purchase order;
- “Order” This purchase order including all documents listed therein and attached thereto.

1.1.1 Acknowledgement

Acceptance of the Order by Vendor shall be deemed unless notice is submitted to the Purchaser of any exception thereto within five (5) days from the date of the Order.

1.1.2 Invoices

Invoices are to be emailed in single copy on the day shipment is made with the original Bill of Lading to the attention of the Accounts Payable department of the Purchaser at ap@stelia-aerospace.com

1.1.3 Custom Invoices and Documents

Foreign shipments must be covered by commercial invoices/customs invoices in quadruplicate also original and non-negotiable copy of the Bill of Lading and certificate of origin under U.S. Canada Free Trade Agreement if U.S. Vendor.

1.1.4 Packing Slips

Detailed packing slips must be issued covering shipments against the Order. One copy must be rendered with the shipment and one electronic copy sent to the Purchaser.

1.1.5 Released Notes/Approved Certificates

Release notes asked for on the face of this Order must be prepared and rendered as follows: One copy to be included with the shipment and one copy to be mailed under separate cover signed by a Company official of the Vendor.

1.1.6 Marking on the Documents and Cases

Invoices, packing notes and cases must be marked with the Order number, and invoices and packing notes must indicate the number of cases in the shipment. Also, packaging, labeling, and shipment of all hazardous materials shall conform to the requirements of all applicable international, federal and local regulations. Applicable safety data sheet (SDS) shall be included with each shipment.

1.1.7 Prices and Substitutions

Prices must conform to those shown on the Order and no changes or other substitutions by Vendor will be accepted unless written authority is received from Purchaser. However, Purchaser may, at any time, by written notice make changes within the general scope of the Order in any one or more of the following: (a) drawings, designs or specifications; (b) method of shipment or packaging; (c) place of inspection, delivery or acceptance; (d) reasonable changes in quality; (e) reasonable changes in delivery schedule; and (f) amount of Purchaser—furnished property. Vendor shall proceed immediately to perform the Order as changed. If any such change causes an increase or decrease in the cost or the time required for the performance of any part of the work in the Order, Purchaser and Vendor will agree upon an equitable adjustment in the Purchase price or delivery schedule or both. To qualify for adjustment consideration, any notice of intent by Vendor to file a claim hereunder must be asserted within thirty (30) days from the date of receipt by Vendor of such written notice of change. Purchaser shall not be obliged to act upon any such claim at any time prior to final payment under the Order. Nothing in this clause shall excuse Vendor from proceeding with the Order as changed.

1.1.8 Warranty

Vendor expressly warrants that all goods delivered under this Order will conform to any sample or specifications, descriptions and/or drawings furnished or adopted by Purchaser, be of merchantable quantity, of good material and workmanship free of defect. Vendor will indemnify Purchaser against and save it harmless and defend it from all liability for loss, damage or injury to persons or property in any manner arising out of or incident to its performance of this Order, such indemnification to survive the delivery of the material supplied under this Order.

1.1.9 Packing

All goods must be packed so as to not adversely affect the quality of the goods. All packaging must be "Best Commercial Practices" and in adherence to any Quality Clauses and Customer Flow Down Clauses Referenced on the Purchase Order and in Clause 1.1.25 and 1.1.26 below. Charges and containers for packing are included in the price, unless otherwise agreed to by the Purchaser on this Order.

1.1.10 Delivery

Goods must be delivered in the manner and within time specified on this Order and Vendor shall indemnify Purchaser from and against any cost arising from failure to delivery in accordance with the Order.

A. On-Time Delivery

- a. All Purchase Order notes must be adhered to unless otherwise specified in writing by the Buyer
- b. Any additional costs resulting from a deviation in the stated shipping procedure will be charged back to the Vendor

B. Late Delivery

- a. It is agreed that a genuine pre-estimate of liquidated damages resulting from failure to deliver as specified in the Order is three (3%) percent of the value of the goods delayed per each week the goods are delayed in addition to any reasonable cost incurred up to the value of the goods so delayed.
- b. Any and all transport and related costs associated with delivery of the goods to the Purchaser via the quickest possible way will be at Vendor's expense. Transport will be mutually agreed upon and, without risk of further delay, may:
 - i. Be prepaid on Purchaser's account and charged back to Vendor; or
 - ii. Be prepaid on Vendor's account

C. Notification

Vendor to inform Purchaser of all impending deliveries at time of shipping by e-mail which must contain the following information:

- a. Transport company
- b. Waybill number
- c. Electronic copy of Packing Slip

1.1.11 Title

- a) Title to goods shall pass to Purchaser upon formal written acceptance by Purchaser following inspection of the goods, which shall occur at Purchaser's facility within (30) days of receipt, or upon payment, in whole or in part, unless otherwise provided in the Order.
- b) Unless the Order specifically provides otherwise, risk of loss of or damage to goods shall remain with the Vendor until, and shall pass to Purchaser upon, delivery of the goods to a carrier, if transportation is F.O.B. origin; or acceptance by Purchaser or delivery of the supplies to Purchaser at the destination specified in the Order, whichever is later, if transportation is F.O.B. destination.
- c) Paragraph (ii) above shall not apply to goods that so fail to conform to Order requirements as to give a right of rejection. The risk of loss of or damage to such nonconforming goods remains with the Vendor until cure or acceptance, after which time Paragraph (ii) above shall again apply.
- d) Under Paragraph (ii) above, Vendor shall not be liable for loss of or damage to goods caused by the negligence of officers, agents or employees of Purchaser.

- e) All goods delivered by Vendor under the Order shall be free and clear of all liens and encumbrances.

1.1.12 Inspection and Rejection

All materials and items purchased shall be subject to Purchaser's inspection, and any payments made prior to the time of delivery shall not constitute acceptance as to quality or quantity. Purchaser reserves the right to reject the whole or any part of any shipment in which goods are found which do not conform to the required quality or quantity. In the event any goods are rejected by Purchaser, such goods may be returned to Vendor at Vendor's expense and the cost of re-inspection by Purchaser shall be borne by Vendor. Purchaser reserves the right to audit and inspect all quality systems, manufacturing records and operations, prior to contract award, and prior to and during manufacture.

1.1.13 Third Party Patent Rights

Vendor agrees to save harmless and indemnify Purchaser against loss or damage (including all legal costs and disbursements) by reason of any claim of infringement of any patent or other intellectual property rights relating to the manufacture, sale or use of any good supplied to it by the Vendor under this Order, except in the case of goods manufactured to Purchaser's specifications.

1.1.14 Termination

- a) For Default—In the event Vendor fails to (i) deliver the goods within the time specified in the Order or any extension (ii) make progress, so as to endanger performance of the Order, or (iii) comply with any other fundamental provision of the Order, then Purchaser, without incurring liability, may terminate the Order in whole or in part if the Vendor does not cure such failure with ten (10) days (or more if authorized by Purchaser) after receipt of written notice given to the Vendor specifying the failure. In the event of any such default by the Vendor, the Purchaser may at its option, either cancel the Order or may obtain from any source the goods required to complete the Order, and the Vendor shall indemnify Purchaser from and against any cost resulting from the termination of the Order.
- b) For Insolvency—If the Vendor becomes insolvent or has a receiver, trustee or liquidator appointed for all or a portion of its business, or for any act of bankruptcy, or for any voluntary petition in bankruptcy, or if Purchaser bona fide believes that any such events may occur, the Purchaser shall have the right without prejudice to any other remedy to suspend the performance of or terminate the Order without incurring liability except in respect of goods previously delivered.
- c) For Convenience—The Order may be terminated by Purchaser at any time in whole or part by delivery of a written notice of termination to Vendor. In the event of such notice being given, the Vendor shall stop all work forthwith and comply with any directions with regard to the goods which may be given by Purchaser. Vendor shall submit an account to Purchaser within one (1) month from the effective date of termination in the form prescribed by

Purchaser. Purchaser hereby agrees to pay Vendor a fair and reasonable price for all goods purchased up to the time of termination. Such agreed prices taken together with any sums paid or due or becoming due to Vendor under the Order shall not exceed the total price of the goods under the Order and no amount will be allowed for anticipated profit for performance not rendered.

Any termination of the Order shall not prejudice any rights or remedies which may have accrued to either Vendor or Purchaser and both parties shall use all reasonable endeavour to mitigate its losses on such termination. Upon termination, all tooling and materials furnished to Vendor by Purchaser shall be immediately returned to Purchaser pursuant to the written instructions provided to Vendor by Purchaser at the Purchaser's cost.

1.1.15 Tooling, Dies, Jigs and Tool Patterns

See the attached sheet (issued where applicable). Ownership of any tooling, dies, jigs, tool patterns, or other similar items provided by Purchaser to Vendor remains with Purchaser. Vendor shall not use such items for any third parties without the express written consent of Purchaser. Vendor will store and maintain such items at no charge and annually send a condition report to Purchaser.

1.1.16 Acceptance

Vendor, by the acceptance of this Order, accepts all the terms and conditions hereof, which supersede and take precedence over any and all previous verbal or written arrangements in connection with this Order, including but not limited to any differing conditions which may appear on Vendor's acknowledgement forms or similar documents.

Any deletions, modifications, alterations of, or additions to the terms and conditions of the Order to be binding, shall be in writing and signed by both Vendor and Purchaser.

1.1.17 Indemnification

Vendor shall indemnify and hold harmless Purchaser, its officers and employees against any and all claims, cost, damages, liabilities and expenses by reason of any alleged or actual property damage or personal injury (including all reasonable legal costs) caused by or resulting from any act of omission of Vendor or its employees, agents, subcontractors or Vendors in the performance of the Order.

1.1.18 Applicable Law and Venue

The Order shall be governed by, subject to and construed according to the laws of the Province of Nova Scotia and both Vendor and Purchaser hereby submit to the jurisdiction and venue of the Supreme Court of Nova Scotia in any lawsuit involving the Order.

1.1.19 Subcontracting and Assignment

Vendor agrees that it will not subcontract, without Purchaser's prior consent, in whole or any substantial portion of the supply of goods and services under the Order. This limitation shall not apply to Vendor's purchases of standard commercial supplies or raw material. Neither the Order nor any claim hereunder shall be assigned by Vendor either voluntarily or by operation of law without the prior written consent of Purchaser.

1.1.20 Compliance with Laws and Regulations

In the performance of the order, Vendor shall comply with all applicable statutes and governmental rules, regulations and orders. Vendor shall indemnify, save harmless and defend Purchaser from and against all losses, costs, fees and damages arising directly or indirectly from any actual or alleged failure by Vendor to comply with any such statutes, rules, regulations and orders.

1.1.21 Waiver and Severability

Any action or inaction by Purchaser of failure of Purchaser to enforce any right or provision of the Order shall not be construed as a waiver or relinquishment of the future exerciser of any such rights. A determination that any portion of the Order is unenforceable or invalid shall not affect the enforceability of validity of any of the remaining portions of the Order.

1.1.22 Use of Purchaser's Data and Property

- a) Vendor shall not use or disclose any data, designs, drawings or other information belonging to or supplied by or on behalf of Purchaser, except as necessary in the performance of the Order and only with the knowledge and consent of the Purchaser. All data will be immediately returned to Purchaser, at Vendor's cost, upon demand.
- b) Vendor shall be liable for any loss, damage or destruction to Purchaser's property furnished to Vendor and shall be responsible for returning such property to Purchaser in as good condition as when received except for reasonable wear and tear or for utilization of the property in accordance with the provisions of the Order.

1.1.23 Notice to Purchaser of Labour Disputes Or Other Business Interruptions

If the Vendor has knowledge that any actual or potential labour dispute or other business interruption is delaying or threatens to delay the timely performance of the Order, Vendor shall immediately give notice, including all relevant information, to Purchaser.

1.1.24 Flow Down Clauses

Vendor will adhere to any applicable terms and conditions from Purchaser's customers which are incorporated by reference to the Order by Purchaser and Vendor will indemnify and save harmless Purchaser against any claims made in connection therewith. It is also required, that if this Purchase Order is for parts being ordered to any OEM specification, that the Supplier adheres to any applicable terms and conditions and quality clauses flowed down from the OEM, whether referenced specifically on the Purchase Order, or not.

1.1.25 Quality Assurance Clauses

All Goods purchased shall be subjected to Purchaser's specific Quality requirements as outlined on the face of the Purchase Order and described in detail on the attached sheets (3) (Issued where applicable).

Vendor is required to ensure they are in compliance with our Quality Assurance Clauses, and ensure a thorough and complete review of our Supplier quality clauses in SCQA-QCI-008 as referenced on the Purchase Order.

1.1.26 Documentation Error Charges and Right of Offset

Purchaser reserves the right to charge suppliers \$250 per documentation error relating to the requirements of SCQA-QCI-008. The \$250 will be offset against Purchaser's accounts payable to the Vendor. The Vendor agrees that this right to offset will not impact on time delivery or service of goods on Purchase Order.

1.1.27 Corporate Social Responsibility

Airbus group has formalised a set of corporate social responsibility policies aiming at achieving a sustainable development by balancing the economic dimension with environmental and social considerations. Moreover, Airbus group is a signatory to the United Nations Global Compact and as such, is committed to promote its set of core values regarding Human Rights, Labour rights standards, environment and anti-corruption practices within its organization and everywhere it develops activities.

These values and practices are in line with international recognized standards as laid out in charters, declarations and guidelines, including the OECD Convention on combating bribery of foreign public officials in international business transactions, the OECD Guidelines for Multinational Companies, the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the commitments taken by Airbus group concerning corporate responsibility.

STELIA AEROSPACE NORTH AMERICA being a 100% owned subsidiary of Airbus requests the Supplier to respect these values and principles.

In particular, Supplier in the frame of this Purchase Order commits to respect (and to request to its own Supplier and sub-Contractors or any person under its control to also respect), any relevant national, European or international rules, including but not limited to (hereafter “Rules”):

- The Universal Declaration of Human Rights
- The OECD Convention on combating bribery of foreign public officials in international business transactions
- The OECD Guidelines for Multinational Companies
- The International Labour Organization's Declaration on Fundamental Principles and Rights
- The ILO N° 182 Convention concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour, 1999
- The ILO N°29 Convention concerning Forced or Compulsory Labour, 1930 and The ILO N°105 Convention concerning the Abolition of Forced Labour, 1957
- The ILO Convention N° 111 concerning Discrimination in Respect of Employment and Occupation, 1958
- The ILO Convention N° 100 concerning Equal Remuneration for Men and Women Workers for Work of Equal Value, 1951
- The ILO Convention N° 87 concerning Freedom of Association and Protection of the Right to organise, 1948
- And any European and International texts regulating Environmental issues relevant to the purpose of this Purchase Order and any related Agreements.

The Supplier shall define and implement the necessary means in order to ensure the compliance to the Rules within its operations and shall regularly ensure their proper application.

On request from STELIA AEROSPACE NORTH AMERICA, the Supplier shall demonstrate the means implemented in order to ensure these Rules are respected. STELIA AEROSPACE NORTH AMERICA reserves the right to audit the Supplier or to ask for a third Party to perform an audit after having duly informed the Supplier in written sufficiently early ahead of the start of the audit in order to verify the compliance of the Supplier to the Rules.

In case of non-compliance to these rules, the Supplier commits, following a written notice from STELIA AEROSPACE NORTH AMERICA, to implement the appropriate measures to remedy promptly to the non-compliance within a time scale to be agreed by the Purchaser, not exceeding sixty (60) Days following reception of the above mentioned notice.

If the Supplier does not succeed to achieve compliance to the current clause within the agreed time frame, STELIA AEROSPACE NORTH AMERICA then reserves the right to terminate the Purchase Order without penalty.

Supplier may confidentially report matters to the Airbus OpenLine 24/7 at www.airbusopenline.com

Or at the following toll free numbers:

Mondial:	+27 315 715 424	Brésil:	0-800-591-9018 (Gratuit)
	+33 567 80 43 43	Canada:	18 55 22 53 002 (Gratuit)
France	0805 080 727 (Gratuit)	Chine:	400 1200 144 (Gratuit)
:	+33 567 80 43 43	Inde:	000 800 919 0268 (Gratuit)
Allemagne:	0800 181 9892 (Gratuit)	Mexique:	01800 681 5372 (Gratuit)
Espagne:	900 839 126 (Gratuit)	Arabie Saoudite:	800-844-4045
Royaume-Uni:	0808 1891 338 (Gratuit)	Australie:	18 00 24 91 39 (Gratuit)
Etats-Unis:	888 340 2375 (Gratuit)		