

AEL Purchase Order Terms and Conditions

By accepting this Purchase Order and/or performing hereunder, the Vendor agrees to comply fully with the terms and conditions of the purchase set forth below. Acceptance by Airborne Engines, Ltd. (AEL) of the goods, services, or work delivered under this Purchase Order shall not constitute Agreement to the Vendor's terms or conditions.

Vendor Obligations

The Vendor shall supply the equipment, material, goods, or services ("Goods and Services") identified in the Purchase Order ("P.O.") under the terms and conditions contained herein and in the P.O. (the "Agreement"). Goods and Services are to be supplied at the locations and by the delivery dates outlined in the P.O. Vendor shall:

- Utilize the necessary qualifications, including knowledge, skill, and experience, to perform the work, together with the ability to use those qualifications effectively for that purpose.
- Respect all relevant legislation, regulations, labor laws, immigration laws, import-export regulations, environmental and industry standards in all jurisdictions where vendors operate and the Goods and Services are delivered.
- Provide regular reports under AEL's instructions on the delivery of the Goods and Services, their conformity with the service levels and specifications identified to the Vendor, and the application of any service level payments identified in the P.O. in the event of non-conformity.
- Reference Purchase Order on all related correspondence, packing & invoices
- Notify AEL immediately if unable to ship as specified in this Purchase Order or of any product malfunctions, defects, or unworthy conditions that may not have already been identified. If unable to ship as specified, approval must be obtained from either the purchaser or approved AEL personnel before making any changes to any item(s) and/or process(es).
- Have the necessary quality management system in place. If a particular system is required (e.g., ISO 9001 or AS9100), it will be referenced above in the purchase order. At a minimum, Aerospace and Defense vendors must:
- Provide adequate evidence that control and prevention measures are in place to reduce the risk of shipping undocumented or counterfeit parts.
- Retain all relevant records per regulatory requirements
- Provide the right of access by AEL, AEL's customers, and regulatory authorities to the appropriate areas of facilities and applicable documented information.

Warranties

Vendor warrants that the product and/or Work covered by this Purchase Order conforms to the specifications, drawings, samples, or descriptions furnished or specified by the purchaser, will be fit and sufficient for the purposes intended, will be of merchantable quality, made with suitable materials and quality, free from defects, and in respect of the work, is of professional standards of the industry concerned. In addition, the Vendor acknowledges that the Vendor knows of the purchaser's intended use and expressly warrants that all Products and/or Work covered by each Purchase Order will be fit and sufficient for the particular purpose intended by the purchaser.

Payment and Prices

Unless different payment terms are expressly stated on this purchase order, payment terms shall be forty-five (45) days from AEL's receipt of the Vendor's correctly presented invoice. A "correctly presented" invoice will contain this purchase order number sent to the billing address on this purchase order.

Vendor Conduct

AEL is committed to acting responsibly in all business dealings to ensure compliance with applicable national and international legislation, including laws regarding anti-corruption, anti-trust, anti-bribery, fair competition, and human rights. Accordingly, AEL will decline business opportunities rather than act in an unethical manner or violate applicable law.

- The Vendor shall have a zero-tolerance policy toward and prohibit all forms of bribery, corruption, extortion, and embezzlement.
- Vendor commits to complying with all applicable laws relating to bribery and anti-corruption
- Intellectual property rights are to be respected; transfer of technology and know-how is to be done in a manner that protects intellectual property rights, and AEL information is to be safeguarded
- Programs that ensure the confidentiality, anonymity and protection of Vendor and employee whistleblowers must be maintained unless prohibited by law. The Vendor should have a communicated process for their personnel to be able to raise any concerns without fear of retaliation
- Vendors must ensure safe working conditions and a healthy work environment for their workers, including but not limited to:
 - Controlled exposure to potential safety hazards
 - Emergency preparedness, including the necessary equipment, training, alerts, and plans needed to minimize harm to life, the environment, and property
- Processes and systems and a Health & Safety program in place to manage, track and report occupational injury and illness
- Identification, evaluation, and control of workers' exposure to chemical, biological or physical agents, and provide protective equipment where necessary
- Evaluation of machinery and equipment for safety hazards

AEL Obligations

- AEL shall pay the Vendor for the Goods and Services at the agreed price outlined in the P.O. according to the submission of a valid, detailed invoice presented in the currency outlined in the P.O., subject to the terms and conditions of this Agreement.
- AEL reserves the right to inspect the Goods and Services and reject them in part or entirely if they do not meet the service levels and the specifications, and request a replacement, reprocess, or credit at Vendor's cost, including transport, and to dispute or reject any associated invoice in part or entirely.
- AEL will monitor and review Vendor Quality, Turntimes, On-Time Delivery, and other critical elements regularly. At AEL's discretion, feedback will be shared with the Vendor, who shall promptly address and remedy any Corrective Actions as requested within the review.

In no event will acceptance of the Goods and Services by AEL be presumed or deemed, including without limitation due to any act of AEL such as the payment of the invoice. Inspections and acceptance by AEL do not relieve the Vendor of its warranty obligations.

Certification

Certification must be provided with all Aeronautical products (Components, Parts & Materials) per Transport Canada or applicable Civil Aviation Authority. AEL reserves the right to reject any Aeronautical Products not conforming to these regulations. AEL will not accept unapproved or PMA parts.

Acceptance

All items are subject to Airborne inspection & approval. AEL shall notify Vendor if any line items are missing or have incomplete paperwork, certification(s), or traceability documents. Once notified Vendor will be responsible for providing all missing documentation promptly. Failure to comply will result in the item(s) being returned or destroyed on-site at Airborne. Any costs incurred as a result will be charged back to Vendor.

Subcontracting

Aerospace and Defense Vendors shall not subcontract any product or process to a sub-tier Vendor without express written consent by AEL. If approval is granted, AEL, its customers, or government authorities reserve the right to contact, visit, or audit any sub-tier Vendor as necessary to maintain and control the overall quality of the product or process.

If approved by AEL, requirements outlined in the Purchase Order and these Terms and Conditions shall flow down to external providers.

Hazardous Materials

Vendor agrees to provide, upon and as requested by AEL, to satisfy any applicable laws governing the use of any hazardous substances either of the following:

- all reasonably necessary documentation to verify the material composition, on a substance by substance basis, including quantity used of each substance, of any Goods, or of any process used to make, assemble, use, maintain or repair any Goods; or
- all reasonably necessary documentation to verify that any Goods or any method used to make, build, utilize, maintain or repair any Goods, do not contain, and the Services do not require the use of, any particular hazardous substances specified by AEL.

Where applicable, a product requiring a Material Safety Data Sheet ("MSDS") shall have the MSDS sheet attached to the shipments, clearly visible, as appropriate, for all deliveries in the Purchase Order, including such labor or product as may be described in the Purchase Order.

Insurance

Vendor represents and warrants to AEL that it has in place with reputable insurers such insurance policies in coverage amounts that would be maintained by a prudent supplier of goods and services similar to the Goods and Services provided hereunder. Vendor will promptly deliver to AEL, as and when requested, written proof of such insurance.

Force Majeure

Notwithstanding anything to the contrary in this Agreement, neither Party shall be liable for delay or nonperformance caused by any of the following circumstances when beyond its control: acts of God, explosions, riots, extreme natural disasters, wars, sabotage, or terrorism ("Force Majeure"). Should an event of Force Majeure make it impossible for a Party to perform its obligations hereunder, the affected Party shall try to reduce or mitigate the adverse impact of the event. The affected Party shall notify the other Party that it considers an event of Force Majeure has occurred. If the negative impact cannot be eliminated, such nonperformance shall be excused for the duration of the occurrence of Force Majeure. If, however, the event of Force Majeure lasts more than fifteen (15) days from the original notification, this Agreement may be terminated in whole or in part by the non-affected Party.

Confidentiality

The Vendor shall safeguard and keep confidential all information relating to AEL obtained by it or provided to it by AEL in connection with this Agreement and shall use such information only to carry out its obligations under this Agreement.

Governing Law

This P.O. will be governed by the laws of the Province of British Columbia and the laws of Canada applicable therein. Any dispute that cannot be resolved between the Parties shall be resolved by litigation before the Provincial Court of British Columbia.

No regulatory or statutory requirements may be waived.

If these commodities, technology, or publications were manufactured in the USA, they must be exported per the Export Administration Regulations. Diversion contrary to U.S. and Canadian Law is prohibited